

EUROPEAN NEWS

Alan Friedman meets the man reconfirmed as chairman of a state energy group

ENI chief adopts higher international profile

A DISTINGUISHED, bespectacled Italian professor last week visited Venice, where he was seen deep in conversation with Mr Paul Volcker, chairman of the US Federal Reserve Board, and Senator Gary Hart, the US presidential candidate. Next month the professor plans a London visit with Mr Gianni Agnelli, chairman of Fiat and one of Europe's top businessmen.

The man adopting a higher international profile is Prof Franco Reviglio, who has just been reconfirmed for another three-year term as chairman of Italy's ENI state energy group. This \$30m-a-year concern is often referred to as the world's "eighth major" oil company. Under its present chairman the group has turned round from an annual loss of \$15m in 1983 to a record profit of \$58m last year.

deficit was restructured and a coherent industrial and financial strategy for the medium term was developed. The company, which derives 80 per cent of its group turnover from energy and the rest from chemicals, engineering, textiles, metallurgy and hotels is not out of the woods yet.

But its efforts to refinance Euro-market debt at interest rates below Libor, has gathered it fans among foreign investors, some of whom are even buying shares in its subsidiaries, which are being partly privatised. ENI's main task is to meet Italy's energy needs. Its operating company, Agip, has been going against the trend of many major oil companies by stepping up exploration activities to supplement the 500m tonnes of recoverable oil reserves already discovered.



Mr Franco Reviglio

As the recent joint venture which pools PVC operations with Britain's ICI, are likely to produce ENI's first profits, albeit tiny after 12 years of losses. Another joint venture involving polyethylene is expected in the near future.

Prof Reviglio has authorised equity issues for subsidiaries such as the Salpem oil and gas drilling business and the Nuovo Fagnone engineering machinery manufacturer. The market capitalisation of ENI's quoted subsidiaries now totals \$2bn. He has also been at work on a proposal, first aired in a speech in Istanbul last June, to create a Mediterranean development project which would see energy savings from countries north of the Mediterranean channelled into industrial development projects in southern countries in North Africa and especially Egypt.

The result is the recently formed Development Services Company, a Rome-based 50-50 venture between ENI and IMI, the Italian state corporate finance agency on the one hand and the Arab Petroleum Investment Company on the other.

Initial capital invested is \$24m and while Prof Reviglio has received less than hearty responses to the plan from some European Governments, he is hoping that Spain may soon join the venture. What is the biggest problem facing the newly revitalised ENI group? "It is terribly hard to make investment decisions in this unstable oil market, and with great uncertainty over the path of interest rates and exchange rates," comments Prof Reviglio. He sees greater cooperation in being reconfirmed as another strong need. Prof Reviglio, whose background includes time spent at the University of Turin, a stint at the International Monetary Fund in the 1960s and as Italian Finance Minister from 1979 until 1981, is clearly eager to make his mark internationally. At ENI ahead, the world oil industry is likely to see rather more of "le professore."

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Italy to start systematic check of diplomatic bags

BY JOHN WYLES IN ROME

ITALY IS set to become the first Government to introduce a systematic inspection of diplomatic bags in a move underlining the Government's deep alarm at the resurgence of international terrorism. The diplomatic world was somewhat shaken yesterday at the prospect that diplomatic bags—which contain everything from private correspondence to cipher equipment—will be passed through metal-detecting equipment on entry into Italy.

Although many Western governments have suspected for years that the abuse of the diplomatic bag system has included the illegal importation of weapons, none has so far sought to introduce specific controls.

The British Government was not alone yesterday in seeking clarification from Rome as to whether all bags coming into Italy would be examined in future, or whether the controls

would be applied to a few "suspect countries."

A Foreign Ministry spokesman in Rome said that the policy was "of a general character," but he implied that it would be largely directed at bags being brought into Italy from "suspect countries."

Allied governments believe the Italians will find that many diplomatic bags contain innocent metal items which will trigger off detecting equipment and create any number of false alarms.

But there is also concern in many capitals about possible damage to cyphering equipment which employs microchips which can be damaged by exposure to certain kinds of detecting equipment.

Rome expected to sign Star Wars pact soon

BY JOHN WYLES

ITALY IS due to become the third Western European country to conclude a framework agreement with the US which will allow its companies to compete for Star Wars contracts. Italy has been negotiating with Washington for about six months on the various technology transfer and security issues which are becoming a standard feature of the Star Wars government-to-government negotiations.

Britain and West Germany have already signed agreements with the US while Japan signed a deal on Tuesday. The flow of contacts to Western Europe from the Strategic Defence Initiative programme has so far proved rather smaller than some governments and companies had hoped.

UK companies, for example, have so far won \$15m-worth of research work, although there are hopes that another \$15m-worth may be for the pipeline. The Italian press is talking

about capturing contracts worth more than \$500m, but expectations among the companies which actually have to do the deals may be rather lower.

An important preliminary to Italy's agreement with the US, which should be signed by the end of the month, was a legal settlement between Fiat and the Washington Administration last month.

This was designed to ensure that any profits accruing to Fiat from US Government contracts did not find their way to Libya as a result of the Arab country's 15 per cent holding in the Italian group.

Snia-BPD, a Fiat subsidiary, is one Italian company with high hopes that its expertise in rocket propulsion will net a lucrative contract or two.

Other companies also expected to enter the competition include La Selenia (specialists in electronic sensors), Contraves (radar) and Avitalia (space components).

Fall in sales of Swiss property to foreigners

By John Wicks in Zurich

SALES OF Swiss property to non-residents showed a further sharp decline last year, according to government figures released in Bern.

Due partly to tighter federal restrictions, the number of cantonal permits granted for the purchase of property by foreigners dropped from 2,318 to 1,224 over the year.

The corresponding sales price totalled SwFr 819m (£267m) compared with SwFr 1,377m in 1984 and a 1981 high of SwFr 2bn.

The large-scale buying-up of Swiss property by foreigners, particularly in the form of resort apartments, has long been a bone of political contention in Switzerland. In previous years, nationalist parties in particular had been attacking what came to be called the "sell-out."

In the period since 1961, however, there has been a total of nearly 75,000 sales involving about SwFr 20bn.

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EUROPEAN NEWS

Daniloff urges bail deal for himself and 'Soviet spy'

BY PATRICK COCKBURN IN MOSCOW
MR NICHOLAS DANILOFF, the US correspondent charged with espionage in Moscow, has proposed that he and Mr Gennady Zakharov, the Soviet physicist arrested for spying in New York, both be released on bail into the custody of their respective governments.

Thatcher faces hostility

BY FAY GJETER IN OSLO
A HOSTILE welcome was yesterday being prepared in Norway for Mrs Margaret Thatcher, Britain's Prime Minister, who begins a two-day visit here this morning.

EEC budget ministers attacked on cash cuts

BY QUENTIN PEEL IN STRASSBOURG
EEC budget ministers were yesterday accused of turning their backs on the future of the Community by cutting the cash available for spending on two key areas: development aid for the Third World, and high-technology research.

OECD urges Belgium to press on with austerity

BY DAVID LENNON IN BRUSSELS
BELGIUM is urged to maintain its political resolve in implementing its economic austerity programme, by an Organisation for Economic Co-operation and Development (OECD) report published today.

David Housego profiles the first three companies to be privatised
French groups look to the future

THE RETURN of Saint Gobain to private hands comes at a moment when the group is beginning to enjoy the fruits of a long and costly rationalisation programme.



Gobain was subsequently obliged to sell its stakes in Olivetti. After 1982 it moved towards the services and engineering sector but has not felt fully comfortable in that field.

Although the French Treasury will be in charge of the overall operation, Paribas will be managing part of the task of privatising itself. It will thus be able to reduce investment banking techniques which it hopes to put into practice again in helping to denationalise other state owned groups later on.

Michael Francois-Poncet, a long-standing Paribas executive chosen to take over as a symbol of continuity after the Government decided in July to evict the previous incumbent, Mr Jean-Yves Haberer.

considered the most likely first candidate among the three state owned insurance groups for privatisation because of its attractive portfolio.

The second in size of the French insurers, AGF had a consolidated turnover last year of FF 21.81bn, and was thought likely to be more digestible by the financial markets than the giant UAP (with a turnover of FF 32bn).

Nationalised after the war, AGF gains 74 per cent of its premiums directly from within France. Under its current president, Mr Michel Albert, it has rapidly developed its life insurance business, which remains a substantially unexploited part of the French market.

Reflecting the sharp rise in the French Bourse and the prospect of privatisation, the market value of AGF on the basis of its quoted shares has also been rising strongly.

It has increased from FF 2bn at the end of 1984 to FF 11.9bn in December last year to a current value of about FF 20bn.

Moscow ambiguous over air inspections

By Sara Webb in Stockholm
THE QUESTION uppermost in most Western delegates' minds at the Stockholm security conference is whether or not the Soviet Union will allow Westerners to carry out inspections of military activities in the Soviet Union using aircraft provided by neutral and non-aligned countries.

According to the Swiss head of delegation, Mr Blaise Schenk, Mr Edward Shevardnadze, the Soviet Foreign Minister, said that the Soviet Union would be prepared to allow the aircraft to carry out inspections over Soviet territory.

Now Mr Oleg Grinevsky, the head of the Soviet delegation, claims Mr Shevardnadze did not say "yes." Since his return to Stockholm from Moscow on Tuesday, Mr Grinevsky has done some fast and furious backpedalling, telling Western delegates that the Soviet Union is against the idea without giving a firm "no."

Time is rapidly running out at the conference which seeks to reduce the risk of military confrontation in Europe. The final document has to be on the table by September 18.

In this context Mr Boffa is planning a major acquisition in the US in the \$600-\$700m range, which would dovetail with Carat-Ted, the company's existing US subsidiary which produces insulation materials. Currently Saint Gobain derives 41 per cent of its sales from France and French-based exports.

EXECUTIVES at Compagnie Financiere de Paribas, run from an elegant tapestry-strewn headquarters near the Paris Opera, were never in any doubt that their organisation would be called upon as the first financial and banking group on the French Government's denationalisation list.

Being chosen as first in the privatisation stakes will bring kudos for the paribas bankers. AGF's life insurance business remains a substantially unexploited part of the French market.

He may also want to ensure that an important core of Paribas's new shareholders is drawn from its financial allies and associates around the world - to banish completely the fear of some Paribas men that the return to the private sector could be accompanied by any loss of independence.

ASSURANCES Generale de France (AGF) has long been

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OVERSEAS NEWS

Australian boost for UK pay-TV rivals

BY RICHARD HUBBARD IN CANBERRA

TWO CONTENTERS for the UK direct broadcasting by satellite (DBS) franchise have been given approval to launch a limited pay television service in Australia this month.

The Australian Government has decided to introduce pay television by 1998. The British authorities have just received tenders from companies for the right to run three national DBS television channels due to start at about the same time.

However, Canberra has decided to introduce a limited form of subscription television to start immediately before the start of a full pay television service.

The new television service is known as Video and Audio Entertainment and Information Services

(VAEIS) and allows television station operators to supply pay television to non-domestic environments such as public houses and clubs.

The decision has given two entrepreneurs, Mr Alan Bond and Mr Robert Holmes & Court - who are both involved in consortia bidding for the British franchise - an early introduction to the new technology. Both men have been given approval by the Government to run VAEIS pay television through their respective stations, Sky Channel and Club Super Station.

This means both Mr Bond and Mr Holmes & Court will start commercial operations of a pay television service this year and by 1998 will have established stations, satellite technology programming and a skilled workforce.

The proposed limited pay television service involves providing music and sports programmes from a single station, via satellite to public houses and clubs around the country for a fee, and carrying some advertising.

The service is likely to revolutionise the corner public house and country club which have been losing custom because of the booming home video industry, police crackdowns on drunk driving and the increasing sophistication of Australian audiences.

Public houses and clubs are able to provide an attractive market for pay television because of Australia's increasingly relaxed licensing laws. Most premises trade 12 hours a day, seven days a week and are expected to provide live sport at weekends.

The early start of pay television in Australia is expected to make Mr Bond and Mr Holmes & Court leading contenders for the eventual Australian government licence for full subscription television and their track record may help sway the British Independent Broadcasting Authority (IBA).

The IBA received tenders until August 30 for the rights to run the planned three channels of pay television due to start in 1998 and go for 15 years.

Of the five major tenders received, Australian-based entrepreneurs featured in three. Mr Holmes & Court is associated with the National Broadcasting Service tender which includes Mr James Lee, former chief executive of Goldcrest Films and Television.

Mr Alan Bond is involved in the Satuk broadcasting bid along with Lombo, Thillson and Calko Films.

Massville, Australian-born Mr Rupert Murdoch, is involved with the Direct Broadcasting Limited tender along with British and Commonwealth Shipping, Cambridge Electronics Industries, the electronic rentals group, and Ferranti.

Mr Murdoch already has some experience with pay television through Sky Channel in Europe.

Army put in control of Karachi hijack probe

By John Elliott in Karachi

THE PAKISTAN army intelligence bureau has been in direct control of investigations into last Friday's Pan Am airliner hijacking which are being carried out by the country's Federal Investigation Agency.

This move is believed to have been ordered by President Zia ul-Haq, who is also chief of army staff, because of high level concern about a lack of effective leadership and co-ordination during the 18 hours of the hijacking at Karachi Airport.

Investigations have concentrated on Karachi's 2,000 strong Palestinian community because the police believe the hijackers are Palestinians.

The US Federal Bureau of Investigation also has officials in Karachi inquiring into the events.

The Government and other agencies are conducting inquiries into the handling of the crisis including suggestions that security forces were not ready to handle an emergency at the time when the hijackers started shooting passengers and that it took between seven and 15 minutes for commanders to arrive on the scene and move into action.

Israeli helicopter gunships miss arms dump target

BY NORA BOUSTANY IN BEIRUT

ISRAELI helicopter gunships devastated a small industrial area on the southern edge of the port city of Sidon yesterday killing three people and wounding a dozen others, but missed an ammunition dump belonging to a pro-Syrian guerrilla group.

Palestinian guerrillas of the PLO's Liberation Front and their Lebanese Muslim allies loaded crates of rockets and bullets onto trucks from a seafront depot, the declared target of the Israeli raid. At least 20 workshops, owned by local carpenters, blacksmiths and spare part dealers were reduced to masses of wrecked equipment, shredded boards of wood, twisted metal and dangling masonry.

"They have ruined us," moaned Abu Ali, a blacksmith. "They came early in the morning before we opened our shop and been here, we would all be dead by now. All my neighbours' stores have been badly damaged."

A four-storey building housing Palestinian and Lebanese refugees, as well as Arab Bedouins, nomads who travel up the coast in the summer was the worst hit. Two other structures nearby had collapsed roofs and the walls of all three buildings were knocked out by the pressure of the strike.

This was the eighth Israeli air attack this year and the first since terrorist attacks against a Pan American jetliner in Karachi and a synagogue in Istanbul last week.

In Tel Aviv, a military spokesman said helicopter gunships were launched at dawn after the Israeli navy had foiled an attempt by guerrillas to infiltrate Israel by sea. The spokesman claimed the targeted Popular Struggle Front base by the shore was used by Palestinian guerrillas for activity against Israel.

Though Israeli state radio said an arms depot was hit in retaliation for the overnight attempt by four Palestinian fighters to travel to Israel in an inflatable dinghy, residents and showmen said the dump was not really affected. Guerrillas vacated the two-floor base within hours of the raid.

The rest of the street, called "industrial city" appeared as if hit by a hurricane. Dazed and crouching by the side of an overturned barrel, 28-year-old Mr Nasreddin Ashkar held his head in his hands. His wood and furniture plant was ravaged by the strike during which his workshop was destroyed.

Mr Ashkar, who was escorted by a fighter jet, had blasted the area. He estimated his losses at £16,000.

Gunmen yesterday kidnapped a man, said by local radio to be a Lions Club official, in Moslem West Beirut. The man was bundled into a car by three unidentified men near the French Embassy compound, police told news agencies. The latest Beirut kidnapping follows the abduction on Tuesday of Mr Frank Reed, an American headmaster of a primary school. The US yesterday renewed its call for the release of all foreign captives in Lebanon, who number about 20.

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Premier says subsidies cannot be abolished

BY RICHARD JOHNS

EGYPT'S system of subsidies on staple commodities could not be abolished, Dr Ali Lotfi, Egypt's Prime Minister, said yesterday in London.

"I say frankly they cannot be cancelled," he said in an interview following a meeting with Mrs Margaret Thatcher devoted largely to Egypt's economic problems.

A substantial cut in subsidies, for which £81.7bn (about

£1.5bn at the official exchange rate) has been budgeted in 1986-87, is one of the conditions being made by the International Monetary Fund for a \$1bn standby facility which has been under discussion for the last 18 months.

Rather than the total elimination of subsidies the Egyptian Government is considering reforms aimed at ensuring that only those really in need will benefit from them.

Dr Lotfi said that discussions

were under way with trade unions and other organisations about a "rationalisation" of the system. Dr Lotfi hopes that a solution to the problem might be found by the end of the year.

Nevertheless, despite the importance attached by the IMF to the issue, the Egyptian Premier was optimistic that the standby facility might be agreed as early as the end of this month following the IMF's annual meeting in Washington.

The IMF mission currently in Cairo had described the economic reform programme implemented by the Government this year as "a very courageous and excellent reform programme," Dr Lotfi claimed.

Debts, rescheduling negotiations with Egypt's creditors would have to await agreement with the IMF, he said. Dr Lotfi discussed with her the possibilities for increased British investment in Egypt.



● Dr Ali Lotfi

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11/11/86

Deep divisions emerge in S African black politics

BY ANTHONY ROBINSON IN JOHANNESBURG

AFTER failing to keep her appointment with President P. W. Botha on Tuesday, Mrs Coretta Scott-King, wife of slain US civil rights leader Dr Martin Luther King, yesterday cancelled her planned trip to Durban to meet Chief Buthelesi, leader of the country's Zulus.

Chief Buthelesi, a devout Anglican, was not among the invited guests at the entertainment last Sunday of Archbishop Desmond Tutu as head of the Anglican Church, reflecting the deep personal and political antipathy between the two men and the divisions within the church caused by the Archbishop's close association with the United Democratic Front with which the Zulu Inkatha movement is in conflict.

In a lengthy statement Chief Buthelesi expressed his regret that Mrs King had "succumbed to party political pressures... and the intricate political feud which so lamentably characterises black South African politics."

In a direct personal attack on Archbishop Tutu and the Rev Allan Boesak, who together with Mrs Winnie Mandela threatened to boycott Mrs King if she went ahead with her planned visit to President Botha, Chief Buthelesi added: "As a black leader I apologise to Mrs King for the indignity of pressures exerted on her... I must say as an Anglican that I am ashamed by an Archbishop who can stoop so low in being divisive in the black community."

Assuring Mrs King of his continued respect for her as the widow of a great man Chief

A full bench of the appellate division of the Supreme Court in Bloemfontein under Mr Chief Justice Rabele yesterday reserved judgment on two controversial railings by courts in Durban and Pietermaritzburg last month which challenge the validity of emergency regulations under which at least 12,000 people have been detained. Date of judgment was not specified.

Buthelesi ended by condemning "these sordid, cynical political games... unbecoming of men of the cloth."

Dr Boesak for his part yesterday accompanied Mrs King to Cape Town airport after a 30-minute meeting with her. He characterised her failure to meet President Botha as "a very wise and courageous decision" and added that Chief Buthelesi's criticism was "not worthy of a reply." Earlier Dr Boesak explained that pressure on Mrs King not to see Mr Botha was aimed at preventing the President from using her dignified presence in South Africa... for propaganda purposes...

In practice, by exposing deep rifts within black politics and the highly politicised nature of the churches and their leaders in this way, Dr Boesak and others appear to have provided an opportunity to underline their message that the failure of black-white negotiations to get off the ground is not entirely the fault of the Government.

Gold mine strike shows no sign of settlement

BY JIM JONES IN JOHANNESBURG

THE STRIKE by the entire 3,000-strong black workforce at the Orange Free State gold mine in the third day yesterday with no indications of an early settlement of the dispute which has halted all underground production.

The men have been on strike since late Sunday night in protest at an alleged shooting of miners by mine security police last week. The National Union of Mineworkers (NUM) says that 18 people leaving a union meeting were injured by rubber bullets.

Management says that only after it ascertained the cause of the stoppage during talks with union representatives on Wednesday.

Though the Beatrix stoppage appears to be over local issues, relations between the industry

and black employees are tense at present as a result of protracted wage negotiations. This year's wage increases were not agreed by the normal June 30 deadline and the employers increased wages by between 15 per cent and 20 per cent as an interim measure. The NUM is calling for a 30 per cent across-the-board increase for its members as well as for a number of improvements to conditions of employment.

● In another development, conciliation board wage negotiations between Sasol, the state-controlled oil-from-coal producer, and the CWTU (Chemical Workers' Industrial Union) have deadlocked. A spokesman for Sasol said yesterday that the company was uncertain when talks, which have been in progress since May, would resume.

Colombo 'regrets' Amnesty report

SRI LANKAN authorities reacted with unusual calm to an Amnesty International report calling on the Government to investigate nearly 300 "disappearances" in the past 20 months of persons, almost all young Tamils, seized by the security forces, Mervya de Silva reports from Colombo.

Mr Sittir Stanlethumudali, the National Security Minister, said "It is regrettable that Amnesty which has included so

many affidavits in support of its allegations did not choose to publish or refer to counter-affidavits filed by our deputy solicitor-general at the UN human rights commission in Geneva."

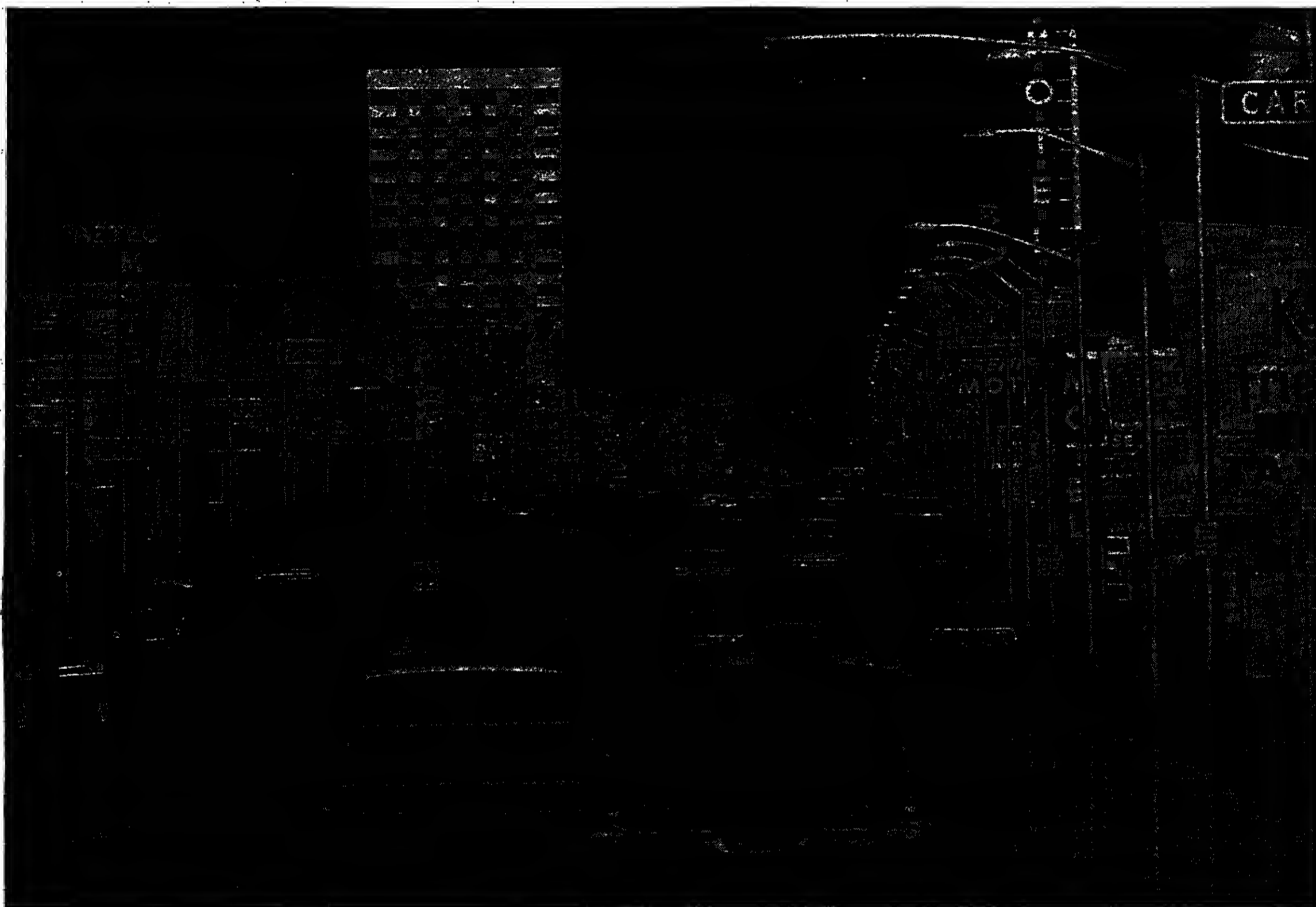
The Amnesty report in turn regrets that not a single reply has been received from the Government to specific inquiries addressed to the authorities here about "disappearances."



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Compaq set to be first past post

FOR personal computer manufacturers, the 386 represents a major step up in performance capability without sacrificing compatibility, says Mike Swavely, marketing vice president of Compaq Computer, the leading US manufacturer of IBM-compatible personal computers.

Compaq is expected to be one of the first major personal computer vendors to introduce a 386-based system. Although the company will not say exactly when it will launch the new computer, industry reports suggest that it may come as early as next month. This would give Compaq an early lead over IBM, which is not expected to introduce a 386-based computer until next year.

The 386 is ideally suited to the personal computer market because it can run the wealth of software applications developed for the IBM PC, but with enhanced performance.



THE FINANCIAL TIMES, 14.8.1986.

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WORLD TRADE NEWS

Drug companies in prices deal with Pakistan

By JOHN ELLIOTT IN KARACHI

THE PAKISTAN Government and multi-national pharmaceutical companies operating in the country have reached a compromise about the fixing of Government-controlled retail prices after two days of talks in Islamabad.

Newspapers in the business capital of Karachi are carrying an advertisement today signed by 25 companies saying that they are restoring full retail price margins of 15 per cent to retail chemists.

The margins were cut by 50 per cent last week to bring pressure on the Government to raise retail prices.

The threat of this action was issued more than two weeks ago in a large newspaper advertisement signed by the companies which include Wellcome, Hoechst, Beecham, May and Baker and Parke Davis.

This unusual public stance was criticised privately by some other multi-nationals operating in Pakistan and at the end of last week the pharmaceutical companies decided to try to reach a compromise with the Ministry of Health in order to restore their previous stable relationship.

The companies were claiming a retail price increase of 30 per cent to compensate for increased costs resulting from sharp falls in the value of the Pakistan rupee and for two 5 per cent tax surcharges imposed during the past two years.

They have abandoned this but will continue to submit claims for price increases in individual products.

The Government agreed that currency fluctuations would be taken into account in future price reviews along with the costs of overheads, including depreciation of machinery.

It is also believed to have indicated that favourable consideration will soon be given to the special problems of Swiss and German subsidiaries whose import costs on raw materials for their products have risen sharply as the Pakistan rupee has fallen against the values of their home currencies.

The Government is also believed to have agreed to look into the possibility of drawing up a formula on which the retail prices are based.

The companies have complained that the present formula is inadequate and that their price applications take too long when being considered by the Ministry of Health.

Air passenger forecast cut

THE ASSOCIATION of European Airlines has cut its forecast for passengers on scheduled European flights this year by 1m following the Chernobyl disaster, terrorism incidents and the fall in the US dollar.

The association said that growth in the number of pas-

sengers was unlikely to exceed 3 per cent compared with expected growth of 5.2 per cent to 43.5m.

Association research and forecasting manager Mr Jan Erundt said that when the forecast was made in May the effect of the weaker US dollar, terrorism and nuclear fall-out could not be quantified.

Japanese group in textile ventures

By Ian Rodger in Tokyo

HANAË MORI, the leading Japanese fashion design house, is setting up a series of joint ventures in the US, China and Puerto Rico to produce cashmere garments in high volume.

The plan is for the Chinese affiliate to spin cashmere yarn and use some of it to make sweater parts. China produces about 60 per cent of the world's cashmere.

Most of the yarn and parts will be shipped to Puerto Rico for knitting into sweaters, skirts, dresses and scarves.

Hanaë Mori said that annual output should reach 400,000 sweaters, using a quarter of the world's cashmere production, four years after the Puerto Rico plant starts early in 1987.

The Japanese company has formed a joint venture called HIN Transworld Textile (HINTT) with Transworld, a US company making textile machinery.

The new company will in turn establish a joint venture in China, MYEK of Peking, with the Government-owned Peking Wool Knitting Industry, Peking International Trust and Investment Corporation and two other Chinese companies.

Peking Wool and Peking International Trust and Investment will also join HINTT in the Puerto Rican joint venture, to be known as MYEK of Puerto Rico. The Commonwealth of Puerto Rico Government has provided a loan for the venture.

Construction of the two factories, at Peking and Rio Grande, Puerto Rico, has been completed, and shipment of sweaters will begin next June for the autumn 1987 season.

An attempt to give Gatt some bite

THE GENERAL Agreement on Tariffs and Trade (Gatt) has no teeth: its governing bodies have no way of compelling countries to abide by its rules or of imposing sanctions. It could hardly be otherwise for a contract between 92 countries which work by consensus.

But trade ministers meeting in Punta del Este, Uruguay, next week will certainly agree that the new round of trade negotiations should consider how to strengthen Gatt and improve its effectiveness as an institution.

This is one issue on which there is common ground between the majority of countries supporting the draft ministerial declaration proposed by Colombia and Switzerland and the group of 10 hardline developing countries, headed by Brazil and India, which have tabled their own draft text.

The US, which under President Ronald Reagan's Administration has carped at paying for the United Nations and other international organisations, favours a strengthening of Gatt and an extension of its responsibilities. Its attitude is, of course, not entirely altruistic: it wants the scope of Gatt widened to cover trade in services, intellectual property rights and investment.

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In general Gatt members agree that trade ministers should be more regularly involved in its work, that its capacity to monitor countries' compliance with its rules should be reinforced and that its dispute settlement machinery must be improved.

Some would also like to raise its standing to enable it to work more closely with the International Monetary Fund (IMF), the World Bank and other international organisations and to have a greater influence on global economic policy-making.

strengthening of Gatt implies a greater political will by its members to adhere to its rules. Ideas for greater ministerial involvement include the convening of regular gatherings on the pattern of the finance ministers meetings at the IMF, although not all countries want the trade ministers to come together annually. Such meetings raise a problem for the European Community since in Gatt negotiations the 12 are represented by the Commission not by individual trade ministers.

This protracted two-year tussle that officials had to wage to agree merely on the

its methods or in the imperfections of the Gatt rules. The disputes which have most irritated the US and remained unsettled for years have concerned trade in farm products, such as the restrictions on US citrus fruit exports to the EEC and Washington's complaint about EEC wheat flour exports.

Gatt rules are far less precise on agriculture than on trade in manufactured goods and agricultural subsidies are some of the hottest issues for discussion in the new round. Gatt panels adjudicating disputes have in some cases virtually thrown in the sponge because of the impossibility of

Panel findings cannot be enforced — although Gatt can approve retaliation by an offended member. A growing tendency for countries losing out to block adoption of panel reports by the Gatt council has been noted, along with delays in implementing panel recommendations once they have been adopted by the council. Gatt's consensus principle is at stake here.

Greater clarity prevails about how to improve Gatt's monitoring and surveillance function. Information on trade developments and on actions by individual countries supplied to the Gatt secretariat is defective.

The fault lies partly with the multiplicity of notification channels through various Gatt bodies, such as those administering the codes emanating from the last Tokyo round of trade negotiations. There would seem to be little objection among Gatt members to simplifying these procedures.

In the context of the new round, Gatt's need for a body to monitor countries' compliance with standards and rollback commitments — to start eliminating existing measures inconsistent with Gatt rules — has been recognised.

Proposals have also come for bodies to supervise the observance of new safeguard regulations, governing the temporary protection countries are allowed to apply against sudden surges of imports and to carry out regular surveys of countries' trading practices similar to the country surveys conducted by the IMF.

The hidden nature of many methods currently used to protect industries of share markets is in itself a threat to world free trade. Giving Gatt a wider and more effective capacity to monitor trade action by governments and industries would in itself have a disciplinary effect, without breaching the consensus principle and without endangering Gatt with the power to impose sanctions.



William Dullforce in Geneva analyses one of the issues on which trade ministers are likely to agree — how to strengthen the Gatt as an institution.

need for a new trade round has brought recognition that political weight is sometimes needed to solve trade issues.

The Gatt mechanism for settling trade disputes has been severely criticised, most prominently by the US which has also been the most active in submitting complaints on trade issues to Gatt in recent years. The US is pressing for a reform of the present system to give quicker and more binding results.

Ironically, the US's own International Trade Council has described the Gatt system as "pragmatic and flexible" and in a review of 84 cases found that it had worked well in all but the most contentious disputes, those involving agricultural subsidies.

The ITC pinpointed a fundamental question: whether the weakness of the system lies in

interpreting rules, such as that calling for a definition of an "equitable share" of the market.

That said, it is also generally accepted that the technical process of handling disputes within Gatt could be improved. At present, panels, of three or five experts are appointed to hear disputes, and without time limits, it can take a long time to agree on the composition of a panel and on its terms of reference.

Most panel members have been Geneva-based officials acting in their capacity as trade experts rather than as government officers. A list of 80 potential non-government panelists has been drawn up but not so far called on. A suggestion for the appointment of 10 to 15 professional panelists has been made but not acted on.

Stance by minority 'threatens trade talks'

By NANCY DUNNE IN WASHINGTON

MR CLAYTON YEUTTER, the US trade representative, yesterday took aim at "a small group of protectionist" members who are jeopardising the launch of a new round of multilateral trade talks under the General Agreement on Tariffs and Trade (Gatt) and "are risking a new global depression."

In a speech to the US Chamber of Commerce, Mr Yeutter warned that nations opposing a comprehensive negotiating agenda in next week's talks at Punta del Este, Uruguay, were holding "the interests of the majority hostage to their objectives."

"There are those who would prefer not to compete internationally, those who want only to export, and those who think trade barriers will give them the edge," he said. If nothing was done to reverse the "alarming trend of protectionist actions, then the world faced a return to the depression days of the 1930s."

In the speech, billed by the trade representative's office as a major policy address before next week's talks, Mr Yeutter repeated his threat, made often in recent days, that the US would walk out of the talks if such issues as agriculture and services were blocked from the agenda.

The attack seemed particularly directed at Japan and Brazil, which head a group of third world countries resisting discussion of services.

"Nations that engage in 3 or 4 per cent of the world's trade cannot be allowed to jeopardise the future of the entire world trading system," Mr Yeutter said.

In a briefing on Monday, agriculture officials said the US would be willing to put all its protectionist measures on the negotiating table and would consider an early end to sugar and cheese quotas if the Gatt nations agreed on a general "rollback" of protectionism.

They said they would like agricultural export subsidies phased out by the year 2000.

Unless agriculture, services, reduction in tariff and non-tariff barriers, no negotiation on a safeguard code, no improvement in the Gatt dispute settlement mechanism, and no discipline for the "grey area" measures that so plague international trade today.

Mr Yeutter said that the Japanese "market-opening" package of July 1985 "offers a convenient appearance of action when the actual trading relationship continues to deteriorate."

He argues for the "intelligent use of pre-emptive tariffs" as in the case of compact disc players. Mr Moorhouse calls on the European Commission to identify similar products — such as satellite-broadcasting receiving equipment, and high-definition televisions — where such pre-emptive tariffs could be used.

The Parliament is due to vote on the report today.



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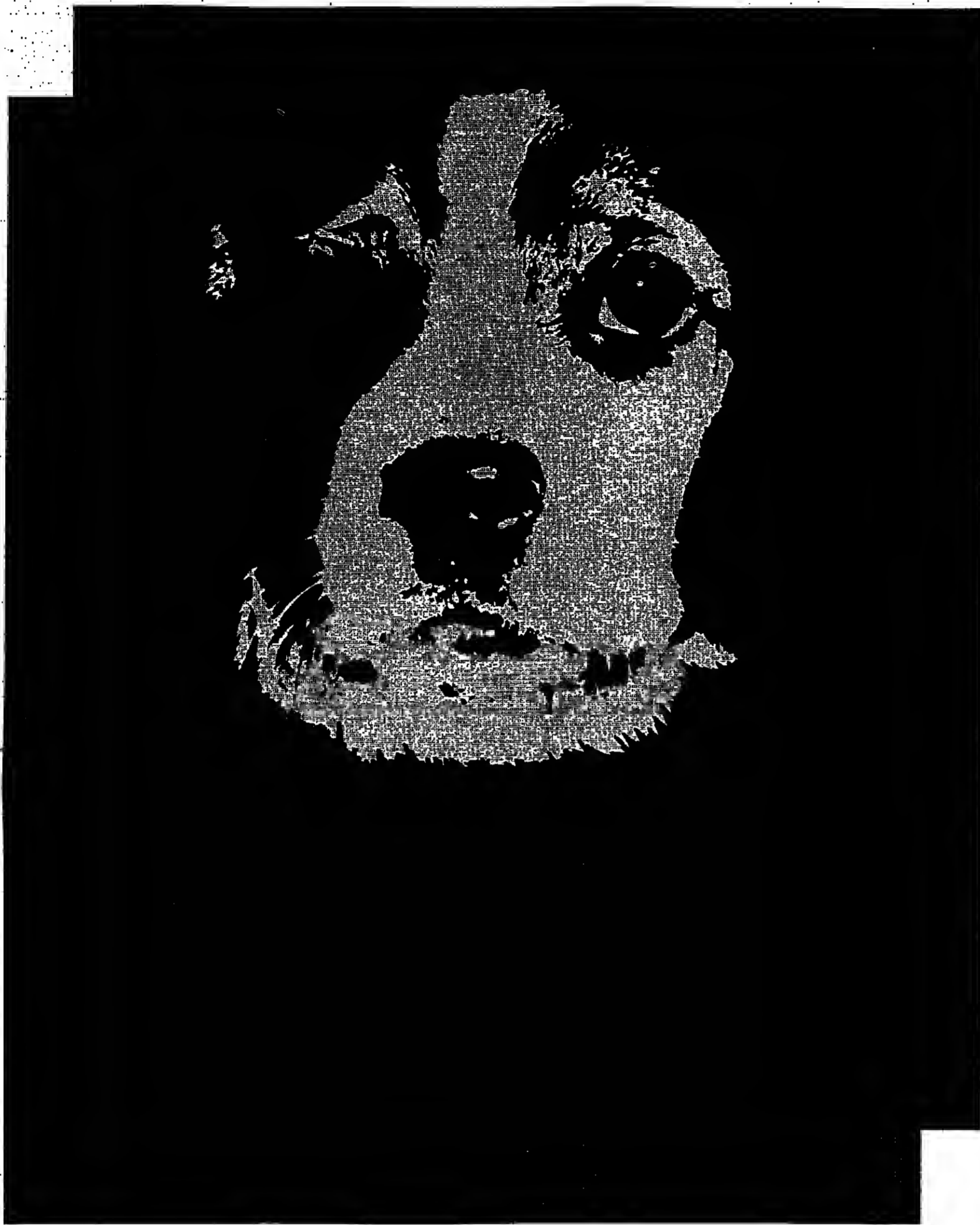
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UK NEWS

Cazenove gains finance for Big Bang trading

BY BARRY RILEY, FINANCIAL EDITOR

CAZENOVE, London's last major stockbroking firm to remain independently owned by its partners, has completed new financing arrangements.

These are designed to enable it to operate after next month's Big Bang stock market changes on equal terms with rival firms now owned by banks and other financial groups which have access to very large capital resources.

It has arranged an underwriting syndicate composed of life assurance companies and other institutions to underwrite issues managed by the firm. In addition it has raised £22m of 15-year finance from a slightly different group of institutions through an issue of subordinated loan stock.

"We have had enormous encouragement from clients on all sides to remain independent," said Mr John Kemp-Welch, joint senior partner. "We are organised and ready for October 27 (date of the Big Bang deregulation). We will have sufficient capital in both the primary and secondary markets in order to provide the combination of financial and distribution strength."

The eight members of the underwriting syndicate are Bank of Scotland, Legal & General, Norwich Union, companies within the Royal Insurance Group, Scottish Equitable and Standard Life, together with Witan Investment Trust, a £500m listed investment trust which has historical links with Cazenove, and Cazenove Securities, a dealing and market making company owned by the partnership.

The 12 investors to the loan stock are Commercial Union, Equity & Law, Friends' Provident, Legal & General, Norwich Union, Pearl, Prudential, Royal Life, Scottish Equitable, Standard Life, Sun Life and Witan.

Cazenove will continue to be owned by its 36 partners and is not selling any of the equity of the firm. But investors in the 15-year variable rate subordinated loan stock will receive a return linked to the firm's profits, subject to a minimum rate of 8 per cent.

The syndicate, which will start operating on October 26, will give Cazenove the ability to act as a principal within the new issue market when required, although the firm emphasises that it will still be ready to act in its traditional agency capacity when merchant banks or other issuers are prepared to accept the principal's risk.

The syndicate will operate on two levels. Cazenove will have complete discretion over one tranche, the size of which is not disclosed but which is understood to amount to several hundred million pounds.

Above that, an extension may be available in the event of a very large issue, but the firm will need to make a specific request to the supporters of the syndicate.

The loan stock issue is designed to support those activities of the firm which will need more permanent capital, including the market making and block trading activities which Cazenove will be opening up on October 27, and the already established Stock Exchange money broking subsidiary, which arranges the borrowing of stock by market makers.

Mr Kemp-Welch said that the institutions purchasing the loan stock were making an arms-length investment. "There are no favours expected by either side as a result," he added.

He claimed that the new activities of the firm in syndication and market making were essentially extensions of existing business and did not represent a great leap into new areas. But they would enable Cazenove to offer a well-rounded service on an international basis.

Cazenove's future, Page 18

Losses made by 44 insurance syndicates at Lloyd's in 1983

BY NICK BARKER

NEARLY half of the non-marine insurance syndicates at Lloyd's of London made a loss for their underwriting members in 1983, according to performance tables published yesterday.

Members (or "names") on at least 44 of the market's non-marine syndicates can expect to pay charges running, in some cases, into thousands of pounds to cover losses suffered in what was arguably the world's worst year for catastrophes since the mid-1980s.

This was in spite of a general market improvement which made 1983 a much better year for Lloyd's names than 1982, according to Mr John Hew and Mr Charles Sturge, editor of the Lloyd's League Tables, published by Chatset, an independent company.

Their figures show that one group of specialist syndicates, handling so-called excess of loss reinsurance, did particularly well in 1983, the last Lloyd's year for which full results are available. Marine syndicate number 733, managed by John Poland and Company, was the market's best performer, with names expected to receive a £3,362 cheque for a £10,000 share in syndicate capacity.

But members of the 10 biggest non-marine syndicates will on average have to meet losses of £368 per £10,000 share, compared with a profit of £339 in 1982. Some 23 non-marine syndicates will be asking names for cheques of more than £1,000 per £10,000 share, the Chatset tables show.

Most of these syndicates could be expected to come back into profit in the 1984 results, Mr Sturge said. Early figures for 1984 showed that non-marine business was "substantially better" in spite of claims arising from tracking and satellite insurance.

Names on marine syndicates however had on average a "very good" year in 1983, and there were "extremely satisfactory" results on aviation syndicates. The 10 biggest marine syndicates are expected to pay profit cheques averaging £1,350 per £10,000 share in the syndicates capacity, compared with £401 for the 1982 Lloyd's year. The 10 biggest aviation syndicates should yield on average £1,178 per £10,000 share, down from £1,514 the previous year.

Results for motor insurance were "indifferent," Mr Sturge said.

Lloyd's League Tables, 1983, £40, from Chatset Ltd, Bridge House, 181, Queen Victoria Street, London ECU 4DD.

De Zoete defends EHP prospectus

By Alice Rawsthorn

DE ZOETE & Bevan, the stockbroker, has dismissed criticism of its role in the flotation of European Home Products (EHP), the company formed last year to market Singer sewing machines in Europe. It said it was wholly satisfied with the prospectus prepared for the EHP issue.

The EHP flotation closed earlier this week heavily undersubscribed after press criticism that its prospectus failed to provide a full account of the business record of the chairman, Mr Harry Gittes.

De Zoete said that it had acted for EHP since 1982. "Throughout this period we have been aware of Harry Gittes's prior and current directorships and company involvements, and fully satisfied that there are no points of concern and are further satisfied that disclosure in the prospectus was fully representative of these business interests."

The London Stock Exchange said yesterday that it was satisfied with the prospectus and with De Zoete's explanation of his past career.

EHP issued 10.75m shares at 35p per cent of its equity in the offer but received applications for just 4.5m shares, or 41 per cent of the issue.

Travel agents will be able to offer holiday discounts

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

THE GOVERNMENT is to bring in legislation to ensure that Britain's 2,700 travel agents are free to offer special discounts to customers when they book foreign package holidays.

The move followed the publication yesterday of a report by the Monopolies and Mergers Commission which concluded that attempts by leading tour operators to prevent travel agents offering discounts and other promotional inducements was against the public interest.

Although the commission recommended that tour operators should voluntarily agree not to refuse to supply holidays booked through agents offering discounts, the Government felt that tougher action was needed.

An order under the 1973 Fair Trading Act will be introduced as soon as possible - probably before Christmas - which would prevent tour operators from refusing to supply holidays to travel agents offering discounts or other inducements to their customers.

Both the commission in its report and travel industry leaders yesterday were anxious that the prospect for a new price war to emerge between travel agents for a share of the foreign package holiday market. Last year some 8.5m Britons went abroad on package holidays.

The commission says that a price war would depend on "predatory new entrants" coming into the market. "We have seen no evidence that they are likely to emerge," it says.

The Association of British Travel Agents also believes that there will be little impact on prices. "Normal competitive market forces set the pace in this business," said Mr Jack Smith, ABTA president, last night. "In some areas there is much less discounting this year anyway because travel agents can't afford it."

However, Mr Ken Scott, chief executive of the Ilkerton Consumer Co-operative Society, believes that the report and Government "will pave the way for many other effects to their customers."

The Monopolies Commission concluded that it was in the public interest for tour operators to continue with the right to set their own brochure prices and enter into agreements with travel agents to sell them at those prices.

But it found that the tour operators were abusing their monopoly power by trying to discourage travel agents from giving discounts or other benefits to their customers.

Thatcher will chair broadcasting group

BY RAYMOND SMOODY

MRS MARGARET THATCHER, the Prime Minister, will personally chair an inter-ministerial committee looking at the future of British broadcasting following the publication of the controversial Peacock Report on the subject.

The committee will meet for the first time later this month and has set itself the target of taking decisions within the next six months.

At the top of the Cabinet committee's agenda are four disputed Peacock recommendations:

- the future of the British Broadcasting Corporation (BBC) licence fee and whether it should be linked to the retail price index;
- whether Independent Television (ITV) franchises should be put out to tender;
- whether new television sets should be fitted with "perceivevision" sockets - special sockets which would ease a transition to subscription television;
- whether Channel 4 should have the option of selling its own air time rather than receiving an annual fee from the ITV companies and by implication no longer be a subsidiary of the watchdog Independent Broadcasting Authority (IBA).

The four items are considered urgent, although the committee will review all issues arising out of the Peacock Report.

Meanwhile, the IBA has decided to ask the Home Office for a four-year extension to the eight-year ITV franchises due to run out in 1988.

The request is a response to the Government's determination to have a two-year extension so that there can be a thorough review of the franchising process.

The IBA would like to see the four-year extension followed by a traditional round of franchises which would last for 12 years.

College of Air plans launch in year's time

LORD YOUNG, Employment Secretary, yesterday named Mr Michael Green, chairman of Carlton Communications, as the founding chairman of the Open College of the Air, Raymond Smoody writes.

The college is intended to be complementary to the Open University, the non-residential university which uses radio and television courses. It hopes to offer education and training up to degree level for as many as 1m people over the next five years.

The aim is to begin broadcasting a year from now and advertisements for a chief executive will be placed almost immediately.

Mr Green said yesterday: "There is a real need for the Open College. The number of people who actually get involved in any kind of education and training after leaving school is far too small."

The Government is expected to provide about £5m a year for three years for the college with the hope that matching funds will come from industry.

Lord Young said Mr Green had got the job mainly because of his success in building up Carlton Communications. Carlton, valued at £200m, is Europe's largest television facilities group, ranging from the making of commercials and television programmes to video digital editing techniques.

Health service sectors urged to co-operate

By Robin Pasley

MUCH GREATER commercial co-operation between the public and private sectors of Britain's health service would benefit both sectors and their patients, says a report published today.

The Nuffield Provincial Hospitals Trust commissioned the report from Grant Thornton, management consultants, who say the financial pressures now existing in both the public and private sectors mean that buying and selling of services would tend to create something approaching a market between hospitals.

"The existence of a market of that kind would provide an environment in which competition and innovation could develop," says the report, which is confined to the acute hospital sector in England.

To begin with, such a market might operate at two levels. In the external market, private operators would sell both services and patient treatment to National Health Service hospitals and NHS hospitals would sell services to private hospitals. At the second, internal market level, NHS hospitals would enter into buying and selling arrangements with each other for both patient treatment and services.

In a relatively short time the two markets would tend to converge.

Health Services Management, Competition and Co-operation and a practical guide, £6, Nuffield Provincial Hospitals Trust, Prince Albert Road, London NW1.

Pits merger to cut workforce by nearly 900

NEARLY 900 Scottish miners will leave the coal industry in the next few months under a pit merger plan announced by British Coal yesterday, Charles Leadbeater writes.

The loss-making Bliston Glen and Monktonhall collieries, near Edinburgh, will be merged to form an underground complex employing just over 1,400 miners. The current workforce at the two pits is 2,321.

PHASE TWO of the Government's Money campaign, which aims to cut £7bn from the nation's energy bill, was launched yesterday. Advertisements, featuring three little piggies and a wolf which fails to puff the house down because it is too energy-efficient, were shown on television for the first time in a campaign that will last for three months.

A BREAKAWAY union for ambulance staff believes the Government may be poised to grant it national recognition, breaking the control over negotiations held by TUC-affiliated unions. The Association of Professional Ambulance Personnel, which claims to represent 5,321 of the 18,000 ambulance workers, says it hopes have a meeting following a meeting this week with Mr Ray Whitney, a junior health minister.

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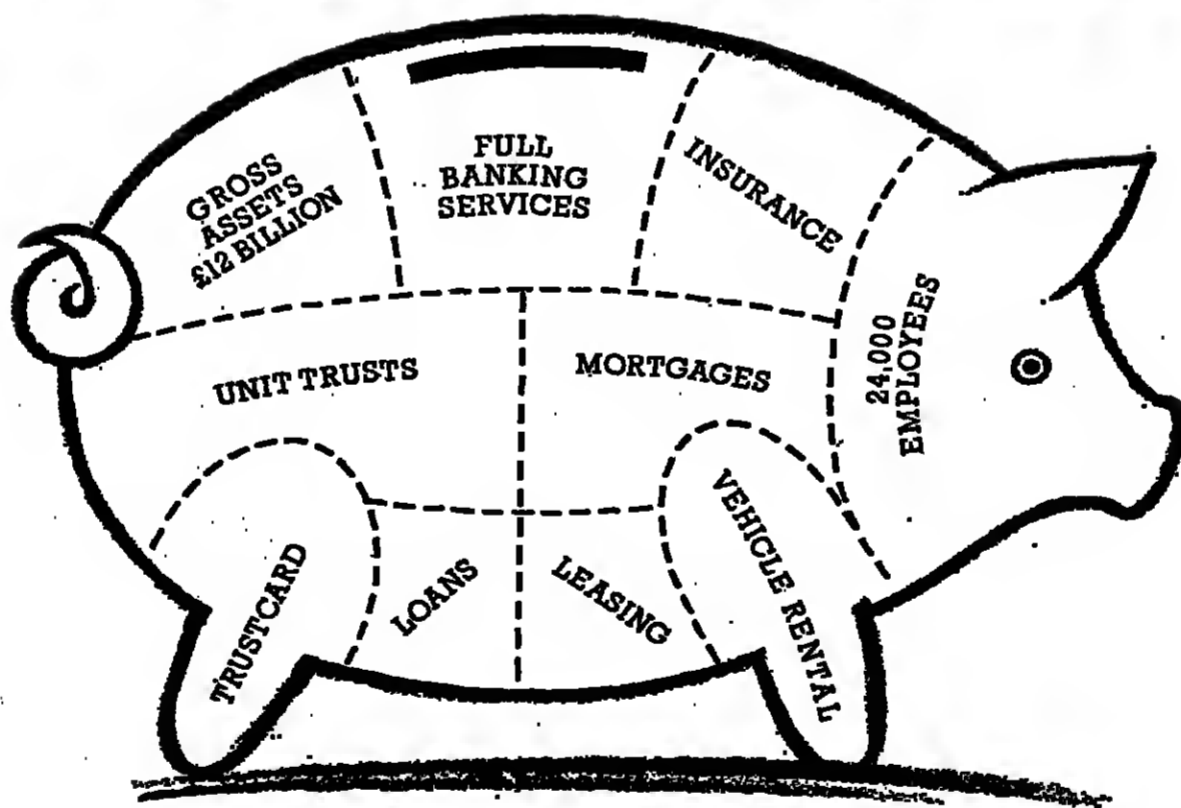
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Now it's your turn to say yes.

UK NEWS

Upper limit set on charges at biggest airports

BY LYNTON McLAINE

THE GOVERNMENT is to impose an upper limit to charges at four of Britain's largest airports from October 1.

These are the London airports of Heathrow, Gatwick and Stansted and at Manchester. The management at each of the airports will be required under a mandatory government order to produce individual accounts for publication. This will be the first time full accounts of all four airports will have been made available.

The accounts will show the extent of cross-subsidisation at Heathrow, Gatwick and Stansted, the major part of the British Airports Authority to be privatised next year.

Mr John Moore, the Transport Secretary, told an order before parliament yesterday designating the airports for economic regulation under the Airports Act 1986.

Mr Michael Spicer, the Minister of Aviation, said yesterday the Airports Act would enable the Civil Aviation Authority (CAA) "to deal with cases of unfair discrimination and other monopoly abuses, such as predatory pricing, at all sizeable airports."

By virtue of their economic strength and market share, require close supervision by the CAA to guard against any possibility of monopoly abuse," Mr Spicer said.

"The imposition of conditions to secure transparency of accounts and regulating the maximum amounts of airport charges will provide the necessary additional layers of protection for airport users and other airports."

The part of the Airport Act that comes into force in October requires all airports with a turnover over £1m in two of the past three years to apply to the CAA for permission to levy airport charges, for, among other operations, aircraft movements and duty free shop franchises.

At Heathrow, Gatwick, Stansted and Manchester together, mandatory conditions will be imposed by the CAA. These include the upper limit on airport charges that can be charged over a five-year period.

Cannon cuts Thorn-EMI staff and plans cinemas of future

MR BARRY Jenkins, chief executive of Cannon (UK), sits behind the most enormous desk you have ever seen, the sort of desk you have to stretch across to shake hands.

It was an inheritance from Mr Gary Durtall, former chief executive of Thorn EMI Screen Entertainment (TESE) after TESE was bought by the Bond Corporation before passing a week later into the hands of Cannon for £17m. It seemed a shame to throw it away.

It is one of the few things at the TESE headquarters to have survived the transition to Cannon unchanged.

"What has happened in the last few months is that we have cut out all of the hierarchy," says Mr Jenkins, who in 1982 was managing director of a small cinema technical services company employing 30 people. Now he is responsible for closer to 3,000 people and a business expected to have a £100m turnover this year.

Only three of the 12 TESE managers are now with Cannon and the total headquarters staff has shrunk from 210 to about 60.

"We cut out all that bullshit at the top," says Mr Jenkins who is, like his predecessor the Israeli-Americans Mr Menachem Golan and Mr Yoram Globus, an exponent of the hard work, instinctive judgment

Raymond Snoddy meets the chief executive of Britain's newest cinema group

and plain speaking school of management.

"Menachem and Yoram work seven days a week, 20 hours a day. If you don't stand that pace, you get out," says Mr Jenkins who now is in day-to-day managerial control of the largest slice of the British cinema industry.

In the US, Cannon may be facing the embarrassment of inquiries by the Securities and Exchange Commission into the company's methods of writing off film costs and doubts about how box office is going there. In Britain, Mr Jenkins says, the TESE deal is going ahead on schedule and after the rationalisation the company is drawing up plans for expansion.

According to the Cannon (UK) chief executive, £125m in cash and Cannon shares has already been transferred to Mr Alan Bond, the Bond Corporation chairman. The £50m balance, due by the end of the year, will probably be paid as early as mid-November, Mr Jenkins believes.

Cannon has also announced plans to build as many as 10 new

multiplexes - multi-screen-cinemas costing around £2m each, the first probably in the Southampton docks area.

Over a period of two years about 15-20 traditional cinemas will close in the areas to be served by multiplexes. About another dozen cinemas, unprofitable before the TESE purchase or where Cannon and Thorn ABC cinemas are very close together, will also close.

Overall the number of Cannon screens in Britain, now 486, will increase.

Mr Jenkins also promised increased investment at Ebbw Vale Studios, bought by Cannon as part of the £17m TESE package. Two new stages are planned and around £7m has been earmarked to be spent over the next two years.

"We are not fly-by-night operators. We really believe in the future of the British film industry. We want the whole of that industry to survive," Mr Jenkins says.

Of course details of that future could be changed by a phone call from Menachem or Yoram, just as Mr Jenkins's life was changed by a call from them in 1982.

He was given five minutes to make up his mind whether he wanted to be technical director of Classic cinemas when they were taken over by Cannon. He decided to say "yes."

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Dated: August 26, 1986

Downswing 'shortlived'

BY GEORGE GRAHAM

BRITAIN'S economic downswing will be shorter than previous pauses in economic growth, a leading City of London economist has forecast.

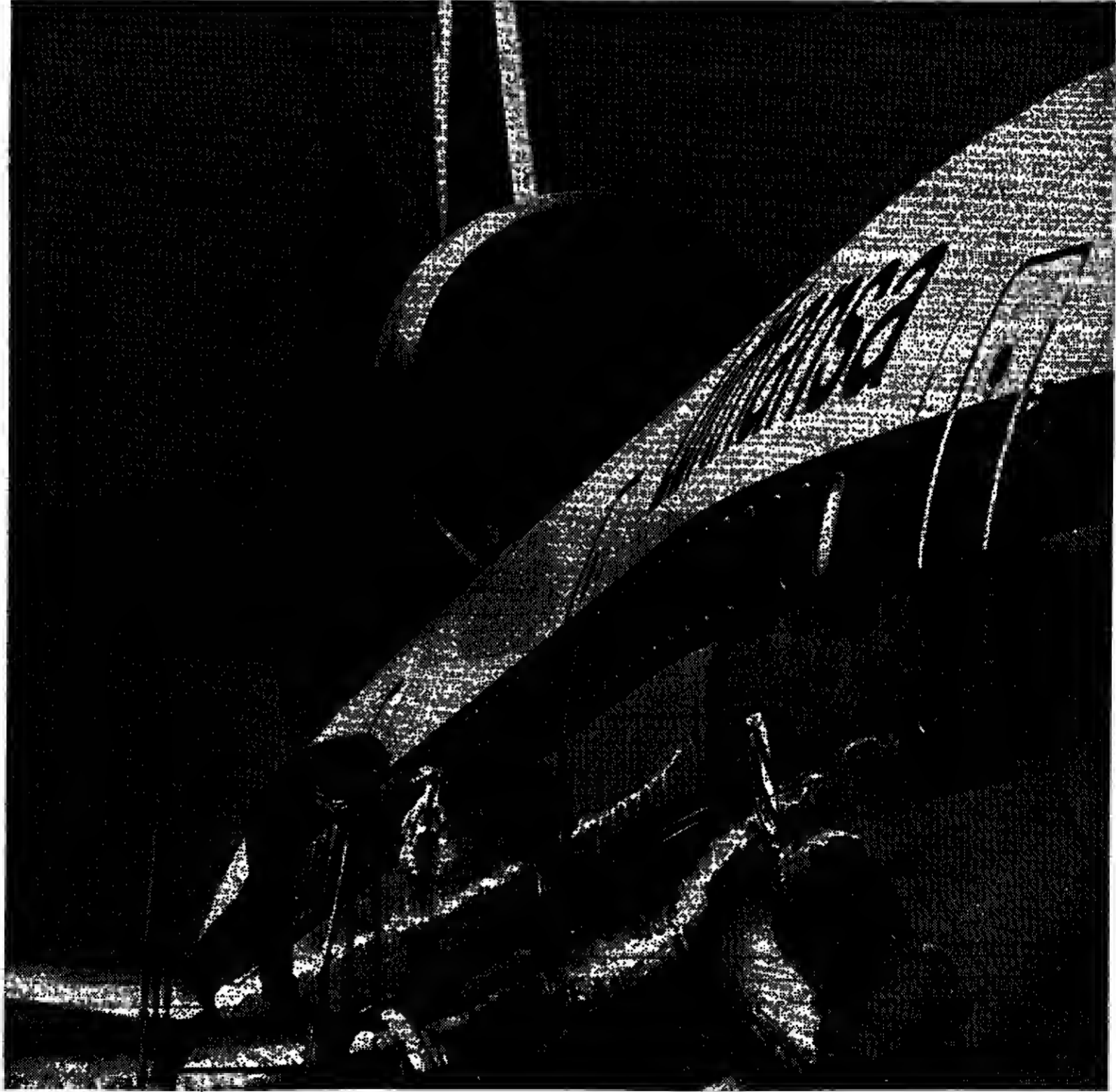
The downturn in demand in the UK since the first half of 1985 resulted from the Government taking a larger slice of tax revenue out of the private sector, according to Mr Caryn Davies, chief UK economist with the US securities house Goldman Sachs in London, at the same time as world trade growth was

slowing down and the investment boom was coming to an end.

These factors are now reversing, Mr Davies says, and should help to boost UK economic growth from less than 2 per cent this year to almost 3 per cent in 1987.

In addition, the beneficial impact on the world economy of lower oil prices should lead to an upturn in the UK's export markets, Mr Davies says, which should grow by 3.75 per cent this year and 4.5 per cent in 1987.

You can take Lufthansa out of Germany, but you can't take Germany out of Lufthansa.



Lufthansa logo and name

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with columns: Year, Ind. prod., Eng. output, Retail vol., Retail value, Unemp. vacancies. Rows for 1985 and 1986 quarterly and monthly data.

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufactures, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

Table with columns: Consumer goods, Invest. goods, Interm. goods, Eng. output, Metal mfg., Textiles etc., Housing starts. Rows for 1985 and 1986 quarterly and monthly data.

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

Table with columns: Export volume, Import volume, Visible balance, Current balance, Oil balance, Terms trade, Reserves US\$bn. Rows for 1985 and 1986 quarterly and monthly data.

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; IIP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

Table with columns: M0, M1, M3, advanc., IIP, new credit, base rate. Rows for 1985 and 1986 quarterly and monthly data.

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1974=100); Reuters commodity index (Sept 1981=100); trade weighted value of sterling (1975=100).

Table with columns: Earnings, Basic materials, Wholesale prices, Retail prices, Reuters index, Trade weighted value. Rows for 1985 and 1986 quarterly and monthly data.

* Not seasonally adjusted. † From January 1986 includes amounts outstanding on credit cards.

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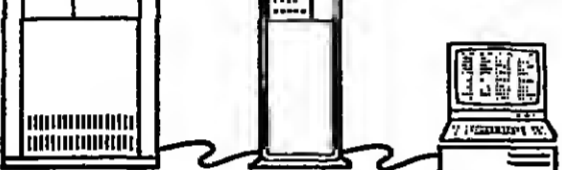
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UK NEWS

Polaroid recruits to meet Image camera demand

BY JAMES BUXTON IN EDINBURGH

POLAROID, the US instant photography company, is stepping up recruitment of new staff at its plant in western Scotland to meet expected high demand for its new instant camera system, Image.

Although the Image system is only now going on sale in Europe, Polaroid expects to have recruited an extra 200 people by Christmas, in addition to the 400 who have been taken on to make the camera in the past nine months.

A further 100 employees have been engaged to meet demand for Polaroid's existing camera range.

Image is considered by Polaroid to amount to a "restatement" of instant photography. Although the new camera will take about the same time as existing instant cameras — about 90 seconds — to present a finished print, the result will be sharper, more faithful to the original and of higher quality, the company claims. This is due to improvements in both the electronics and the chemistry used in the camera.

"It will be considered to be at least as good as a normal 35mm photograph," Mr Derek Taylor, general manager of the Polaroid plant

at Vale of Leven, near Dumbarton, said yesterday.

The new camera, which Polaroid also believes is more elegant than existing Polaroids, is to go on sale in the UK on September 22. Last week it had its continental European launch at the photographic fair at Cologne.

Image went on sale in the US in the spring and had an enthusiastic reception. The Dumbarton plant is Polaroid's only camera-making facility outside the US.

The company employs a total of 1,400 people at its Scottish plant, which is in an area where there is about 20 per cent unemployment. Many of its new employees are aged under 20.

Polaroid claims that its plant is the only high-volume camera-making factory in Europe. Some 90 per cent of its production — worth about £100m — is exported. Although the majority of exports go to the EEC, Polaroid also exports cameras from Scotland to Japan.

Mr Taylor said yesterday that 25 leading Japanese camera dealers had expressed strong interest in the Image system when they visited the Scottish plant last week.

Swan Hunter agrees two-year pay deal

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

MANAGEMENT and unions at Swan Hunter Shipbuilders on Tyne-side, in north-east England, have announced a 12 per cent pay deal over two years that will also drastically reduce the number of bargaining units in the company and establish procedures to smooth future labour relations.

The agreement includes a 4½ day, 38-hour week with Friday afternoons off. Management believes this will lead to higher productivity, allowing longer runs at jobs during Monday to Thursday, while acknowledging that work has always traditionally slowed down after lunch on Fridays anyway.

The company, which specialises in warships, went into the private sector via a management-led buy-out from British Shipbuilders last January. It has been dogged by a series of stoppages at its three yards during the last few months.

The new procedures, designed to make strikes much less likely, will have their first big test next week when negotiations begin on finding another 500 redundancies to reduce the workforce to 3,700 and keep the company solvent as work runs out.

These are part of 825 job losses announced in June when Swan Hunter failed to get the Government contract to build an auxiliary ciling vessel for the Royal Navy.

The job went to Harland and Wolff in Belfast. Only 300 people have volunteered for redundancy so far.

The announcement was made jointly by management and unions — an unprecedented occurrence at Swan Hunter.

The company is building four warships for the Government and has recently been awarded an order for a Type 2302 frigate. Because of a dispute in April, one of the ships, the replacement for HMS Coventry, which was lost in the Falklands conflict, was launched by management in the middle of the night.

Under the new agreements there will be only three bargaining units — one for management, one for technicians and supervisors and another for hourly-paid workers.

Mr Alan Wilkinson, chairman of the joint shop stewards, and Mr David Hall, leader of the engineers' union, described the new agreement as a turning point in the company's labour relations.

Mr Peter Vaughan, one of the company's four joint managing directors, said that there had been no proper negotiation at Swan Hunter for at least 10 years. Pay talks under British Shipbuilders had usually consisted of the national imposition of a pay rise that matched the inflation rate.

Hopes rise of deal on Canadian air links

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

UK-CANADIAN talks on the level of air services between the two countries resume in London next week, with hopes that a pact can be agreed in spite of past differences.

Informal contacts between Air Canada and British Airways over the past few days indicate that earlier fears of a breakdown in the discussions, leading to the abrogation of the current UK-Canadian Air Services Agreement, may prove groundless.

Discussions earlier this year in attempts to overcome differences of view over future air services failed to achieve any common ground.

At one stage it was feared the UK might serve 12 months' notice of termination of the agreement, leading to negotiations on a new pact.

The UK's dissatisfaction with the present arrangements stems from Air Canada's route between London, Bombay and Singapore, which

takes traffic from BA. The UK argues that Air Canada has been taking more than its rightful share of such traffic, which is vigorously denied by Air Canada. It argues that such complaints have only surfaced recently, five years after the agreement was signed.

Air Canada also says that far from violating the present agreement, it operates less than 10 per cent of the total capacity available on the UK-India-Singapore route, and that its market share of total traffic carried is even less.

Behind the scenes contacts between Mr Claude Taylor, chairman of Air Canada, and Mr Colin Marshall, chief executive of BA, appear to have created a better atmosphere in which the talks can resume.

Nevertheless, the forthcoming discussions will still be tough, and some hard bargaining is likely before the current dispute is settled.

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MANAGEMENT: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

WHEN BOB BAUMAN, chairman-elect of the Beecham Group, casts himself into the hot seat next Monday, he faces the task of getting the shambles of the past year behind him. Should he need any encouragement that the UK potions-toiletries group can return the smile to the City's face, and do what it was once famous for, marketing with flair, he need look no further in the consumer division than those two born-again brands, Lucozade and Brylcreem.

Just four years ago both were heading at varying speeds for oblivion, stuck in time with dated images, striking markets and sinking sales. Today they are held up as textbook recovery stories, rejuvenated and re-positioned at the forefront of their fields.

Together they have helped, along with other Beecham products like Bovril, Ribena and Bionics, to restore some gloss to the company's reputation, established in the 1950s and 1960s, but dimmed during the group's diversification period of the 1970s.

The group has been through turbulent times recently, beset by a stagnant earnings per share for four years, a top management shake-up and rumours of takeover bids.

Management stood accused of complacency, of going to sleep on its famous brands. Now after a senior management shuffle which saw the departure of chief executive and chairman, Sir Ronald Halstead, John Robb has taken over as chief executive and, following a lengthy search, Robert Bauman has been hired from the US as chairman. In its drive for profitability, the company has announced plans to divest itself of non-core businesses, such as home improvements and cosmetics and now the City watches for tangible evidence of this.

Brylcreem and Lucozade are two golden oldies, both more than 50 years old, whose rejuvenation is moving the group forwards.

First, the Brylcreem story. Since its instantly successful launch in the hair-licking roaring Twenties, this men's hair-dressing cream has wormed its way into the stink of British folklore. During the war-patriots sent it to the troops to boost their morale. The Royal Air Force lads took particularly to the hair-gluing cream to complete their neat disciplined profiles, becoming "the Brylcreem boys" along the way. In 1947, England test cricketer Denis Compton endorsed the product (the first British sportsman to mix sport and business this way) and made it famous. Then came the 1960s, when



Daley Thompson and new wave advertising have made sales soar

Beecham's born-again brands

Feona McEwan examines the progress of Brylcreem and Lucozade

flower-power and flowing locks screwed the lid on Brylcreem for the next 20 years and sales slumped. Hair-spray suffered a similar demise. A brave attempt to stem the tide occurred in 1971 when the advertising showed a clean cut young blade with collar-skinning hair flicking his fringe with a quick flick. The line bravely advised the consumer to use less product. "Just a little dab'll do..."

Graham Neale, marketing manager of hair care products, believes there is much to thank the punk movement for. "It showed that you didn't need a mass consumer following to be in vogue." Individuality became all.

Research showed that Brylcreem had an ageing consumer profile and scarcely any new users. "Users were dying and taking Brylcreem with them," says Neale. Yet for all its heritage, there was considerable public affection for the brand name. "It's a British institution really," Neale argues. And its distribution was second to none, with 100 per cent of chemists and most supermarket chains stocking the white gel in the red pot.

For advertising agency Grey, the Brylcreem brief for the current campaign was daunting. "It seemed almost impossible," says Roger Edwards, the chairman. "We had to capture two diametrically opposed groups, the ageing lapsed users and the new market of trendy young men."

The reason for dusting down the product last year and not earlier, says Beecham pragmatically, is that the time was right. Style was back in fashion, and the market for male toiletries was fast emerging. "For Beecham, the male toiletries market is a major area of development," says Neale. "We're looking 20 and 30 years ahead. We want a major slice of that market."

As the best known brand in the men's hairstyling field (it claims 60 per cent of the market), Beecham saw a huge opportunity. The contemporary "noticeably combed" hairstyles adopted by today's young men offered by today's young men.

The fundamental aim of the advertising was to shift attitudes towards Brylcreem specifically to remind lapsed users of what they were missing and excite new young users by the fashion hook. Only then could Beecham expand the product range. Such a task dictated a television advertising campaign and a startling one at that. So Brylcreem took to the small screen last October for the first time in 12 years.

The campaign, consisting of three commercials, soon gained itself a cult status, using as it does original 1960s footage overlaid with contemporary slow motion freeze frame techniques which give the ads their janky style. The acclaimed Girl in a Tube ad shows a girl living out of a Brylcreem tube followed by a close-up of a well-groomed Clark Kent look-alike

being caressed by the girl. Slowly she turns him towards her and removes his spectacles before planting a kiss on his lips. The agency creative team chose nostalgia as a means of appealing to both young and old target groups and delved into the Beecham archives, not in itself an unusual act. While viewing some footage, they put the video on hold and noticed it jump, and the germ was sown. Soundtrack from the rock band, the Art of Noise, puts the ads firmly in the 1980s, while original footage revived memories for older consumers. "It breaks just about all the rules," says Edwards. There are no voices, no new footage, no colour (save for the packshot at the end) and each ad has its own tag line. One ad even shows a packshot no longer in existence.

Response was immediate. The phones started ringing the morning after the first ad was shown, Neale recalls. Media coverage was "unprecedented" from television programmes like the Six O'Clock Show to women's press and cult style-setting magazines, the Face and ID.

Much credit is given to Lynne Franks, the public relations consultant, for the impact it created, with a tongue-in-cheek guide for "stylepreneurs," among other things.

Research soon showed that awareness of Brylcreem in the London area where the campaign broke first, reached 84

per cent and, more unexpectedly, sales decline of the red tube was reversed. Having established the contemporary image, Beecham then launched two new Brylcreem products, the mousse in November and the gel last April. "We were inundated by calls from around the country." One hairdressing chain rang from Newcastle to say "the punters are going mental."

New product development continues with a "hairstyle and hold spray" and gel due out next month. For Christmas, Brylcreem will be gift-packed. "Who'd have thought it..." says Neale.

Explaining the success, Neale underlines Beecham's consumer-led and risk-oriented approach to its brands. "There is increasing emphasis on intuition and street-based research. We have established a network of information-gathering contacts, like fashion journalists and hairdressers."

It is a path that John Robb is pursuing with vigour. "We've shown a readiness to take more risks," he says. "At the end of the day marketing is about common sense." Too frequently, he believes, marketers rely on research "as a crutch. That's not what I pay senior executives for; I pay them to take risks and use their judgment."

Like Brylcreem, Lucozade, too, needed to position itself differently in consumers' minds. Since it was launched in 1929 by a Newcastle pharmacist out to a stricken world (and

acquired by Beecham in 1936), Lucozade stood for a convalescent drink. "Lucozade aids recovery" ran the tag line, a slogan that has not surprisingly been dropped lately. Early ads showed patients recovering in hospital and sickly children finding a new lease of life with Lucozade at the ready.

Improved health care and self medication undermined the drink's selling platform. "But 60 years of investment in the brand gave it an asset value worth more than the bricks and mortar of Beecham House," says Frank Anton, general marketing manager Beecham Foods, so the decision was taken to reposition it as a healthy everyday energy replacement drink.

Ads in the early 1980s showed a moving wavy orange graph line, on which walked an animated family group depicting the ups and downs of the day. When the "downs" got to them a gulp of Lucozade pepped them up for the ups ahead. From then on the drink spawned a family of different packages — plastic bottles, one drink bottles, bulk packs, and cans — culminating last April with the launch of two new berry drinks.

During this period, the shift in perception to an everyday healthy drink has been boosted by an apt endorsement from Daley Thompson, the world champion decathlete. There was a time when such a choice of an anti-establishment figure would have been frowned on at Beecham. But when agency Leo Burnett produced him, the company saw the logic and history and sales have proved it right.

Television commercials devised by Lucozade's current agency, Ogilvy & Mather, feature the athlete during one of his punishing workouts, getting parched, and then downing the amber liquid. Their, too, is the witty "traffic lights" ads, in TV and poster form, showing the colours red, amber (signalled by a bottle of Lucozade) and green in sequence. Results show that sales of Lucozade are up by 21 per cent in 1986 over the previous year to £40m. Between 1979 and 1985 sales have tripled to £46m, 75 per cent of that coming from products not around in 1979. "But another way, sales have been hiked up by 207 per cent in the last six years."

The good news, however, is not confined to Lucozade and Brylcreem. Robb is at pains to point out that similar rigorous marketing has been boosting many other Beecham products too — not least Ribena, Horlicks and Bovril. What the City is waiting for is success of touch across the board.

A careful change of tack for KPI



The logo seen to appear on 2,700 petrol stations across Europe

Q8 WAS chosen as Kuwait Petroleum International's new brand name after more than a year's research and deliberation over a list of 150 finalists.

The effort involved reflects the pains the group has been through to find a name that can win the same degree of pan-European observance achieved by a multinational brand like 7-Up. KPI's marketing men, design consultants Wolff Olins and advertising agents BBDO are at any rate confident that consumers in the six countries where KPI trades can be induced into pronouncing Q8 the right way, despite their national linguistic differences.

Equally important, however, is consumers' overall perception of the brand image, including its shape and colour. Here KPI has carefully chosen a logo that makes a discreet reference to its Arabic origins in the form of a pair of superimposed stripes belonging to a design vessel of the Gulf. "It relates to Kuwait's trading heritage," explains Nasser al Salem, the group's vice president.

As a strategic arm of an Arab oil producer, the Kuwaiti state-owned company was sensitive about the apprehensions it might arouse with its entry into the European market as a result of its purchase of Gulf Oil's assets in the Netherlands, Belgium and Luxembourg, Sweden and Denmark early in 1983 followed by Italy a year later.

The first concern was to convince those European governments and other oil companies that KPI was not going to dump products, displace prices and disrupt the market. In this respect, KPI is satisfied that it has established itself as a "respectable member of the community," says Salem. It has policy is that, wherever there is human contact, it should be as warm as possible — and this has formed the main theme of a training course for 8,000 staff and dealers.

KPI reckons that it will take a year or so to implant the image and says that it will spend all the money necessary to make it stick. The campaign's importance derives from the fact that it is part of a concerted drive to increase, selectively, KPI's share of European markets now providing a secure outlet for over 20 per cent of Kuwait's crude oil.

Richard Johns

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THE ARTS

The Bay at Nice, Wrecked Eggs/Cottesloe, National Theatre

Michael Coveney

The Bay at Nice and Wrecked Eggs are two riveting new plays by David Hare about the shattering of married relationships. In the first, the daughter of an art historian and quondam friend of Matisse tracks her mother to a Lenin-grad gallery in 1956 to seek money and approval for her divorce from an "approved" 37-year-old headmaster. In the second, set in a New York weekend retreat of today, a Misson tennis coach and her lawyer husband celebrate their imminent separation in the company of one of her pupils and lots of food.

Each play is dense and witty, incorporating intelligent meditation upon Soviet and American society without laying claim to absolute knowledge. The Bay at Nice, which title refers to a hitherto unidentified work in the artist's South of France output, is the more complete, unswerving, with measured skill and a voracious voracity.

Valentina (Irene Worth) has been summoned to vouch for the painting, which has been left to the museum by an excited Count who bred horses in the Midi. Sophia (Zoe Wanamaker) has twins of eight years and has fallen in love with a 62-year-old worker for the sanitation board (Philip Locke).

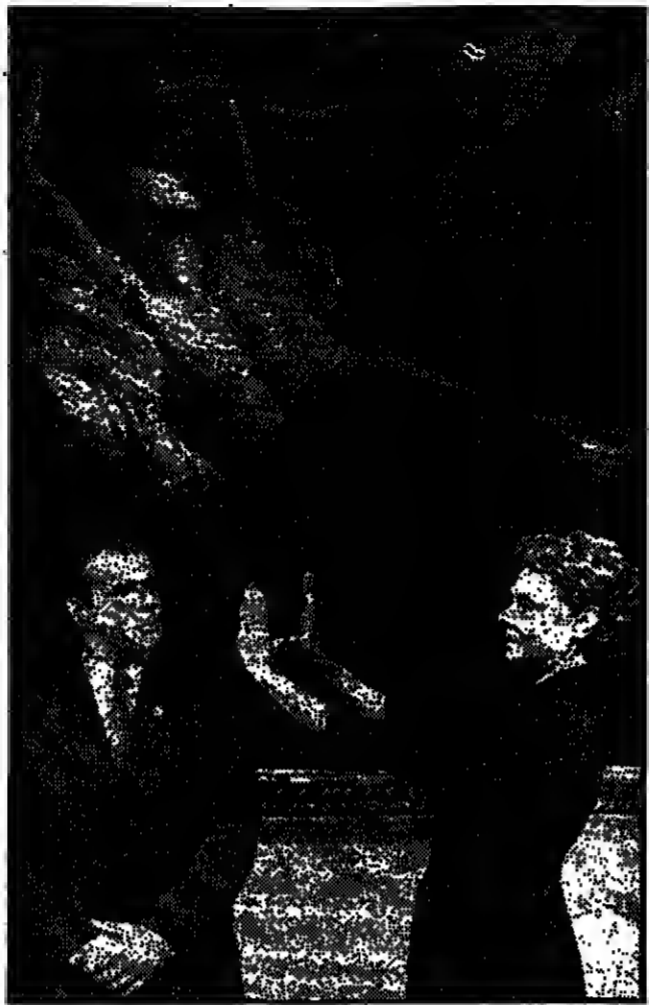
The discussion is joined by a cultural apparition, the assistant curator (Colin Stinton), who is puzzled by Valentina's veiled refracted of Matisse's philosophy of art, and the while adjusting to present needs.

The evening is great fun partly because none of this is solemnly or schematically laid down. The first play opens out in John Gunter's marvellous gallery dominated by a classical mock-up of a recumbent Cupid having the tables turned on him by a descending Psyche and emits a sort of cultural aroma ripe for the invasion of Sophia's Russia, the right to self-determination, freedom of expression, such things are discussed with an easy grace and an ironic twist. The reality of experience in America is more readily available to a British playwright, and Wrecked Eggs flashes in with a delightful, wryly affectionate, detached amusement.

This spirit is embodied in Miss Wanamaker's tennis pupil, dressed with some uproarious Matisse's tutelage, and she advances with the blistering comic technique and a perfect New York accent; Grace is a press agent who despises her clients. In particular a dimly aware developer by whose son, being a fatally fertile sort of a girl, she has become pregnant.

Robbie and Loelle (Mr Stinton and Kate Buffery) have been packed off to camp while initiating this rite of passage. Robbie is the son of a famous man and has changed his name; his lies at the root of the marriage's failure, presumably allied to his failure not to bring home work to the Rhinebeck hideaway. What Robbie loves about the States is the freedom to create out of the past and start over, as he has done, with a new name. What the heroic Valentina demonstrates in The Bay of Nice is the ability to preserve and celebrate the past while adjusting to present needs.

The playing is glacially precise under the author's direction, John Gunter's designs beautifully lit by Rory Dempster. Mr Stinton, an experimental joy Hare has Chicago actor, is particularly well qualified to expose the rhythm.



Colin Stinton and Irene Worth in "The Bay at Nice"

Hartmann's Sixth Symphony

Andrew Clements

The generation of Austro-German composers wedged between the Second Viennese School and the post-1945 avant garde has been neglected and rarely played in Britain. The Second World War scattered its members when it was able to pull itself together again, fashions had changed and the likes of Henze and Stockhausen had moved German music forward into a totally different world.

Karl Amadeus Hartmann (born 1905) was perhaps the leading figure in the last generation, and one whose reputation was beginning to prosper in the years immediately before his death in 1963. The Bavarian Radio Symphony Orchestra included Hartmann's Sixth Symphony on Tuesday in the second of its Fringe, and while it did not provide a major revelation, there was more than enough to suggest that the other seven symphonies deserve

some exposure here. Though he studied for two years with Webern, Hartmann's main musical impulse appears to have come from the Bartok-Stravinsky axis rather than from etymology and serialism. As presented in the Sixth his style is comfortably chromatic, always with firm tonal roots; the economical, uncluttered scoring has a neo-classical clarity. One aspect of his idiom that does strike an immediate chord is the tense lyricism which runs through the first movement of the symphony, generating a musical structure through the force of its own emotional logic.

Hartmann's scheme—just two movements, the first predominantly slow but building to a feverish climax, the second a sequence of three fast figures but unconventionally not totally effective. The gradual acceleration and intensification of the first is well controlled,

but the Bartokian fugues, despite a family likeness, do not cohere effectively nor manage to accumulate tension. The Bavarian Radio Symphony commissioned and gave the first performance of Hartmann's Sixth in 1963. Their performance, conducted by Colin Davis, was lithe and sinewy, and a good deal more convincing than that of Bruckner's Seventh symphony immediately afterwards, where the solo playing was often unsettled and Davis's direction, despite his care in articulation and pacing, always seemed muted and underpowered. He has reversed the order of the central movements, placing the scherzo second, so as to match the sequence in Bruckner's Eighth and Ninth. The emotional weight of the symphony is certainly redistributed—the big adagio and finale considerably over-balanced the first movement and scherzo.

The Snow Queen/Covent Garden

Clement Crisp

The problems inherent in the form of the three-act ballet are obvious. In having long sequences of set dances which seem no more than diversions to interrupt the flow of incident, rather than propelling the tale forward, the narrative is a thin one. Kay has fallen under the spell of the Snow Queen, and her influence over him destroys his chance of happiness with Gerda. In these simplified terms, the story seems no thinner, perhaps, than that of The Sleeping Beauty or, for that matter, Le Balser de la fête which casts a long shadow of the present piece, but lacking the dramatic tensions of either of these. And Bintley's setting out of the tale stretches the action to unconscionable lengths—the first act runs for

55 minutes and achieves no more than Eisler's prologue. A curiously direct view emerges given an interminable Nordic fair in the first act, a betrothal festivity in the second which contains all the statutory matter of pas de deux and variations and a third act amid Polar wastes in which snowmaids, wolves and a White Dwarf as court jester do exactly what might be expected of them in a ballet.

I reported with less than enthusiasm upon the work when it was first given this April in Birmingham, and a

second view on Tuesday did nothing to persuade me that Bintley's unadorned sense of theatre can triumph over so stultified and staid a theme. In marked contrast to the densely dramatic and imaginative Swan of Tuusula, his previous full-length creation, The Snow Queen seems all too facile in the making of steps and too little engaged by plot or feeling.

Bramwell Tovey's arrangements of assured scores by Musorgsky provides a sound if occasionally unfocused basis for the dance; Terry Bartlett's designs are excellent; the performances of the original cast—Roland Price as Kay; Leanne Benjamin as Gerda; Samira Saidi as the Snow Queen—are assured, but their effects seem generalised rather than particular in conveying emotion.

The private sector celebrates an English tradition

The New English Art Club is now 100 years old. Through the radical and contentious traditions and furious politicking of its founders may have moderated long since towards the more safely established norms of general competence at least and modest excellence where possible there remains much to savour and celebrate in its unbroken tradition and continuing good health.

The two auction houses of Christie's and Sotheby's have put on special exhibitions: Christie's substantial historical survey (until September 17), Sotheby's a small but impressive selection of work by present members (until tomorrow). The Fine Art Society comes forward in support of two pendent shows: in London Under the Butterfly Wing, a group of watercolours and small paintings by artists close to Whistler, and at its Glasgow premises what sounds a most amiable tease, Rejected, a show of work by Scottish artists, who had actively supported the Club in its first few years, but who withdrew or were excluded, amid much contemporary controversy, from the shows of the early 1890s (both until September 26).

The Club's foundation and earliest years certainly make a subject worth the study with or without the excuse of an anniversary. It must be admitted that while interest and enjoyment may be more widely spread, the strength of the Christie's retrospective lies in the work it gives us of that period.

The founding group comprised some 15 artists of a generation looking to France for its example, whether to the plein-air Realism of such as Bastien-Lepage or to Impres-

sionism in full contemporary flood. They had breathed that invigorating air for themselves and were as independent-minded, sure of themselves and disaffected with their seniors as such generations often are. The Academy, they felt, was altogether out of touch as it was out of sympathy with the newest work, which it would deny a showing. Alternative arrangements must be made.

The course of action they embarked upon, with its endless procedural, convolutions and machinations, its votings on and off, in and out, its feuds and factions, makes entertaining reading, still; but today the names alone which flash out those lists and minutes, with our final knowledge of the true scope of their achievement, are what really catch the eye.

In terms of British art at least, whatever its internal hickories, a society which obtained at once the active membership of Sargent, Sickert and Wilson Steer, Walton, Gustave and Clausen in Scotland, Shannon and Lavery, Rousell, Goch, Tuke and Stott, Bramley and Stanhope Forbes from Newlyn, with fostering overall the exquisite, unpredictable presence of James Whistler, was bound to be a body of some considerable force.

All these artists are represented at Christie's by characteristic works, none of them very fine, with Whistler's large, exquisitely sombre full-length portrait of Mrs. Huth, Arrangement in Black, No 2, of 1878, on loan from a private collection, finest of all. The Tate has lent, among other things, two important Sickerts, a large seated nude by Theodore Rossetti that for many years has lain unexhibited and also a tiny Dieppe shop interior by Sickert's younger brother Bernhard. But the show is full of such plans, drawn from all manner of public and private collections.

The excitements of the nineties over, the Club settled into its own tradition, remaining always close to the French example by its own quiet and idiosyncratic version of post-impressionism in the widest application. We are brought down to the present day by way of a gratifying number of the more important British artists of the century, some such as Paul Nash, Stanley Spencer, Owen John, Edward Wadsworth and Harold Gilman, long acknowledged as such, others now rather out of fashion or still unduly obscure, artists like Augustus John, for example, Duncan Grant, John Nash, William Nicholson, Rodney Brazn or Ambrose McEvoy.

The Christie's show gives a nod towards the more recent past, but leaves it to Sotheby's to perform the fuller duty to the active present. There is a somewhat smaller show by present members but only a day or two of its too brief run to go but it is well worth a special effort. We can hardly look to it, of course, for any winners of the Turner Prize or British representatives of international hennales, or any such thing, which is its own way common on our official attitudes and expectations. Yet it is noticeable and encouraging that though these artists may not even hope for such honours, there is now a more generous acknowledgement of the intrinsic quality of their work than we would ever have thought possible even a bare 30 years ago.

Works here by Peter Greenham, Diana Adams, John Howard, Robert Buhler, and many more, speak more than adequately in their own justification. The annual show of the New English Art Show, in which all are sure to take part, takes place later in the autumn.



"Felicity," oil on canvas, by George Henry

William Packer

Sink the Belgrano!/Half Moon

Martin Hoyle

Steven Berkoff the director comes up trumps with the well-drawn depiction of a country's not wanting to move from Downing Street as "I've just redecorated this bloody place" in terms that would surely not be employed of a male target. A curiously direct view emerges given an interminable Nordic fair in the first act, a betrothal festivity in the second which contains all the statutory matter of pas de deux and variations and a third act amid Polar wastes in which snowmaids, wolves and a White Dwarf as court jester do exactly what might be expected of them in a ballet.

The run-up to the sinking of the Belgrano is dealt with in larger than life, savagely comic, terms. The author makes a case for the player as the moral compass. Patronising towards the proletariat, dismissive of the Falklanders, contemptuous of the

media, the author even descends to sexism—Mrs Thatcher is lampooned for shopping and not wanting to move from Downing Street as "I've just redecorated this bloody place" in terms that would surely not be employed of a male target. A curiously direct view emerges given an interminable Nordic fair in the first act, a betrothal festivity in the second which contains all the statutory matter of pas de deux and variations and a third act amid Polar wastes in which snowmaids, wolves and a White Dwarf as court jester do exactly what might be expected of them in a ballet.

The arid tale is unlovingly told. The Falklanders are mistreated slaves to big business and refer to the home as "this pisspot." The female PM is addressed as "Your royal sweetest Maggot" by her ministers Phipp and Nir (the names promise robust Gillray mockery that never materialises). A subdued Maggie Steed looks as if she knows only too well that in this age of superb Thatcher take-offs a hairdo and precise

Maggie Steed and Bill Stewart

Arts Guide

Exhibitions

LONDON Hayward Gallery: Dreams of a Summer Night - an exhibition of painting at the turn of the century in the five Nordic countries, organised by the Arts Council and the Nordic Council of Ministers. It proves to be an important and intriguing exercise in critical reassessment, for though many of the painters enjoyed a certain contemporary fame abroad, they were with one great exception all but forgotten in the years after the First World War. Munich was that exception, and the chief

Picasso and Matisse, Brancusi and Giacometti. The exhibition continues from the 5th floor to the Iron in the basement with Benye and Arts Fovers and is unspeakably depressing. (Centre Georges Pompidou, closed Tue (0771112) Ends Oct 13.

origin of the universe, through the age of the dinosaurs and the appearance of the first primates, up to the present day. Video programmes, life-size reconstructions of early hominids (including Leakey's famous Lucy) and touch-screen displays illustrate this detailed story of mankind's evolution from the Commonwealth Institute. With an introductory section on the theory that a meteorite impact 64 million years ago led to the extinction of the dinosaurs and cleared the way for the birds and mammals. Ends Oct 19.

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CHICAGO Chicago Historical Society: Louis Sullivan, a seminal figure in American architecture, is celebrated in an exhibit in the city he made architecturally famous with newly made models of his buildings along with drawings, sketches and building fragments emphasizing his use of ornament. Ends Dec 31.

is the true Shakespearean Harry. There is a good Chorus by Brendan O'Hea, who resists any temptation to orate, but explains what Shakespeare wants the house to believe in a restrained voice, as if he were speaking across the dining-table. Tanya Crook gives a beautiful and amusing Katherine, her French and her Franco-English well pronounced. Indeed all the French with which this play abounds is spoken as accurately or comically as the situation calls for, from Pisto's crude "Kwee wah lah!" to the property-accountant that between the boy (Mark Neville, admirable) and the French soldier (Ian Sewell, who seems to think that he ought to look gay).

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Thursday September 11 1986

Cash subsidy
for Nissan

IT IS an ironic coincidence that the announcement by Nissan of Japan that it would accelerate plans to assemble cars in the UK should have been followed by General Motors' decision to phase out most truck production by Bedford, its British subsidiary.

Some of the Government's critics may be tempted to link the two events as a pretext for a broader debate about the role of foreign-owned multinational companies in the British economy. However, the lessons to be drawn from each case are very different.

Bedford's problems are largely due to a long history of ineffective management. Unlike competitors such as Daimler-Benz and Volvo, it has made little effort to expand beyond its traditional market. Given general excess capacity in the European truck industry, the future of Bedford's operations would have been very much in doubt even if GM had succeeded in its attempt earlier this year to take over Leyland Trucks and merge the two businesses.

In Nissan's case, the principal grounds for concern lie not in the company's plans to capture a larger share of the European market, but in the role which EEC trade restrictions and government incentives played in its decision to set up production in Britain.

Growing tendency

Britain and the rest of Europe have much to gain from inward investments from Japan. Just as they have gained from investments by US companies. As well as providing employment and exports, Japanese subsidiaries in Europe can teach their local competitors important lessons in management techniques, industrial relations practices and the application of advanced technologies.

However, many of the potential benefits will be realised only if such investments are made for sound commercial reasons. If the principal intention is to evade European import barriers, it is likely to result in low value-added "screwdriver" plants, while subsidies on the scale of £100m which the UK has offered Nissan are bound to distort the European market. The UK is by no means the only offender. Only yesterday, Mr Willy de Clerq, the EEC Commissioner for External Affairs, expressed serious concerns at the growth of heavily subsidised multinational companies.

Mr Daniloff
and detente

THE ARREST and imprisonment on charges of spying of Mr Nicholas Daniloff, one of the most senior US correspondents in Moscow, has now escalated to the point at which it threatens even the proposed summit meeting between President Reagan and Mr Gorbachev. A relatively minor matter, however regrettable and unacceptable, has been allowed to weaken the whole edifice of East-West relations at the very time when prospects for a breakthrough in arms control negotiations appear much more favourable than they have for many years.

Many theories have been put forward to explain what can only be considered a particularly ill-judged act on the part of the Soviet authorities in the context of the improved East-West climate. They range from the most obvious — that the KGB wanted to take a hostage whom Moscow would then exchange for the Soviet physicist working for the UN, arrested for spying in New York the previous week — to machiavellian politico-military plots in both countries to scuttle the summit and nuclear arms control negotiations.

Against evidence

It is certainly true that influential members of both the US and Soviet political and military establishments are opposed to any meaningful reductions in their respective nuclear arsenals. To believe, however, that these elements are now so powerful in the Soviet Union that they can engineer the reversal of Mr Gorbachev's much-publicised detente policies, goes against the evidence. If that were true, the Soviet leader's position would be fragile indeed and all the indications are that he is still very much in command.

The most likely explanation for the unfortunate turn of events, therefore, is that decisions were taken at a much lower level which escaped the political control of the most senior officials in the Soviet hierarchy. The KGB, in particular, is notorious for taking action such as the arrest of foreign citizens, without any reference to the international political implications.

In the case of the US, too, events moved very fast without the apparent intervention of the Administration. When President Reagan, who had been on holiday, finally got his hand back on the tiller, the case had been done in terms of relations with the Soviet Union. The media had already made such a song and dance about the Daniloff affair that the President was obliged to adopt an equally high profile, for fear of being disavowed by public opinion.

The US President, Senate and media are not to be seriously damaged. Others, with knowledge of the Soviet Union, feel that the case might not be so clear-cut. It has been shown time and again that what in the West would be considered normal journalistic activity is classified as spying in the Soviet Union. It is quite possible that a journalist who was about to return home after a long assignment in the Soviet Union, would tend to be a little less cautious than normal in his information gathering.

Face-saving

Whether Mr Daniloff is "guilty" or "innocent" is now of much less importance than is the need to limit the damage to East-West relations which the affair has caused and to save the proposed summit between President Reagan and Mr Gorbachev.

A solution which will save the faces of both the US and the Soviet Union will be difficult to find, given the tough position that Washington and Moscow have adopted.

It will require delicate personal diplomacy between President Reagan and Mr Gorbachev and may even involve the speedy trial of Mr Daniloff and Soviet agreement to his subsequent release or expulsion, whatever the verdict. The stakes are too high, not only for the US and the Soviet Union, but for the rest of the world, to allow such an affair to sour the international climate for a long period.

PROFESSOR Richard Layard is chairman of the Centre for Labour Economics, a highly academic institution. He is also chairman of the Charter for Jobs, which is — or would like to be — a campaigning organisation for the militant left-of-centre.

In *How to Beat Unemployment* (OUP, £3.95) the two Professor Layards have both taken part; and it is important for the reader to try to distinguish between them. For the book contains a great many facts about unemployment, which deserve to be better known, as well as a diagnosis which would not be to the taste of some of those who might like to use the book as a campaign bible. If they understood it. Finally it contains a programme — most of which I would support on an emergency basis, but which I am not sure tackles the fundamental political economy of the subject.

The most outstanding feature of the rise in unemployment since 1980 is that the whole increase has been in long-term jobless, out of work for more than a year. The number unemployed for less than a year has actually fallen. In transitional unemployment, of two weeks or less is no higher than in 1975.

There has thus been little change in the number of people losing their jobs. But once someone has been on the register a while, his chances of finding a job are far, far worse than they used to be.

To use an analogy I first heard from Professor Alan Budd, flowers which are left over from the previous day have a double disadvantage. They are known to have been rejected and they are already one day old. The handicaps increase rapidly for older and older batches.

This concentration of unemployment among the long-term is also found in France to a certain extent in West Germany. On the other hand it is absent in economies as different as the US and Sweden. In both of these countries the unemployment rate has been roughly level. The biggest percentage increase in unemployment has been in Northern Ireland, the North, the West Midlands and Wales — the West Midlands being the entry to the black-spot regions.

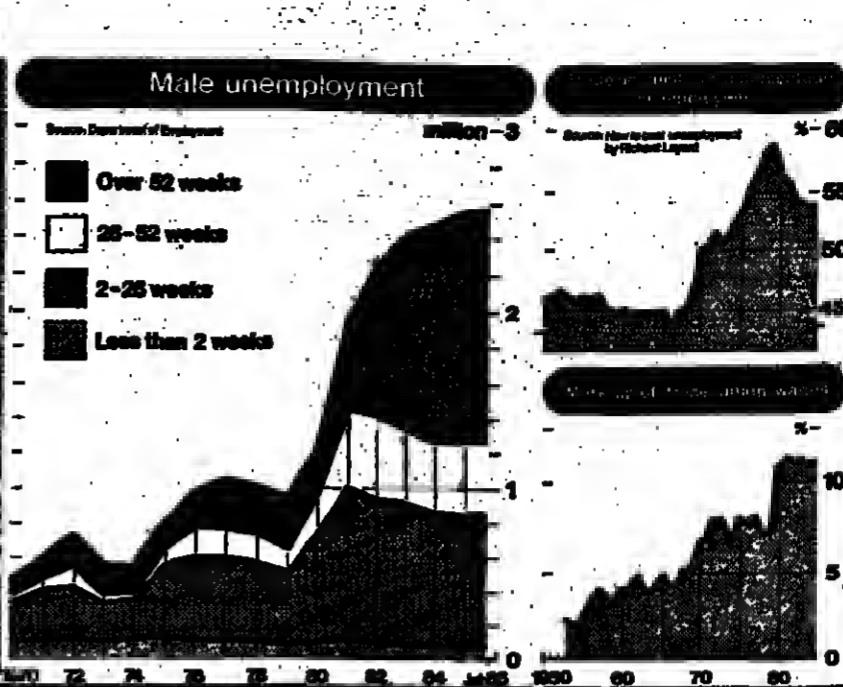
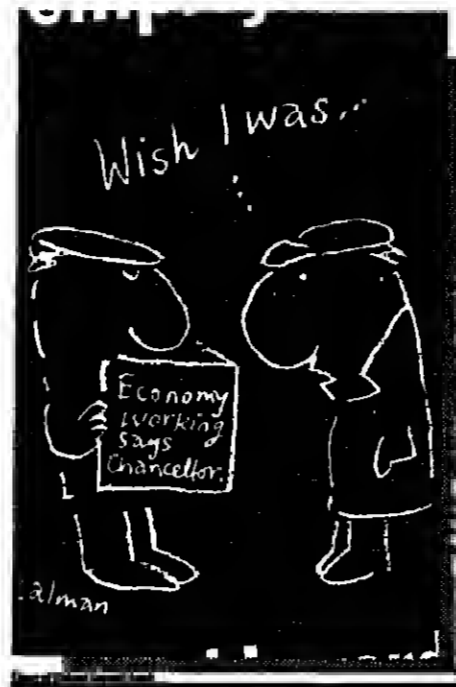
Prof Layard links these differences to the fact that social security is not operated in the last two countries. In the US benefit runs out after six months, and in Sweden an unemployed person is not eligible for benefit after 300 days if he has refused a place on a training or work programme.

But I would be extremely careful to avoid anything savouring of civilian conscription, or the prospect of getting stuck in a perpetual unemployment trap. Cures can be worse than the disease.

Unemployment is also highly concentrated among manual workers (who make up 64 per cent of unemployed men) and is also higher among older people. These discrepancies have always existed, but stand out more when the overall rate is high. There is here a contrast with the West where youth pay is relatively less, but youth unemployment is no higher than that of adults.

A less well-known fact is that only 50 per cent of the unemployed are married and only 10 per cent have dependent children. It is only the last group who might be as well or better off on the dole without earnings on the side. So the

ECONOMIC VIEWPOINT



Unemployment: a hard case for treatment

By Samuel Brittan

independence of social security is more indirect than commonly supposed.

More well known is the concentration of job losses in manufacturing. Manufacturing employment has fallen by 2m since 1979, while services and other sectors have been roughly level. The biggest percentage increase in unemployment has been in Northern Ireland, the North, the West Midlands and Wales — the West Midlands being the entry to the black-spot regions.

Prof Layard has pretty conclusive evidence that unemployment has little to do with the size of the labour force. The labour force grew as rapidly in 1950-66 as in recent years, yet unemployment then was low and stable. In both the last decades the Japanese — and still more the US — labour forces grew more rapidly than the European one, but employment also grew much more.

So "remedies" such as compulsory retirement, shorter hours, work sharing and similar measures on the basis of labour fallacy are likely to be as ineffective as they are defeatist. "The one fatal heresy in economic analysis is the notion of getting static as the most populist error of all."

The most novel fact unearthed by Prof Layard is the growing discrepancy between vacancies and unemployment. The number of vacancies is as high or higher than 1971, but male unemployment is four times as great. He attributes this to workers becoming more choosier about taking such jobs as are available. He sees this not to be a strict application of the requirement that people on benefit be

genuinely looking for work.

Further diagnosis is more controversial. But Prof Layard's research suggests that at any one time there is a feasible real wage that the economy can deliver. Unemployment has to be high enough to make wage-bargainers settle for a target real wage equal to it. It is this target which determines the infamous NAIRU — the non-accelerating inflation rate of unemployment — or if you like, the underlying rate.

If this is so, Government action to restrain inflation is merely the mechanism by which real wage objectives are brought in line with what the economy can afford. The root problem is excessive real wage objectives; and to put the blame on restrictive Government demand management — as Prof Layard also tries very hard to do — is misplaced except for the odd year or two. The Government should indeed be criticised, but for not doing enough to cure or alleviate unemployment — rather than for having caused it.

"As the fundamental cause of unemployment is wage pressure" (Prof Layard's words, not mine) union strength and union wage pressure aggravate unemployment. While union membership has been on a long-term decline in the US, there was an upward surge in most European countries in the late 1960s and 1970s.

"If Europe now has more employment problems than the US, it is difficult to suppose that the light shown by the collapse of VAT increases the collapse of pay policies and much else. The decision it made was not to accommodate double-digit inflation by monetary and fiscal policies. If one is looking

for blame, it is in the policies that allowed inflation to hit 18 per cent rather than the refusal to accommodate that rate.

The book could have done with a chapter putting all the elements together to explain the historical course of unemployment. The general picture is that a combination of rising union power and easier benefit conditions brought the economy by the early 1980s to a position where any shock — whether due to oil, a rising exchange rate, or anything else — was met by business by the shedding of workers, some of whom joined the army of long-term unemployed, who were effectively out of the labour market.

Professor Layard's own cure is fairly well-known. It consists basically of targeting increased demand on the long-term unemployed and other workers in excess supply, where the inflationary impact is likely to be modest. There would be a one-year job guarantee for those out of work for less than a year, through an expansion of the Community Programme, a special building improvement programme, and a £40 a week job subsidy for those hiring long-term unemployed.

The skimming of employers' National Insurance contributions away from the lower paid workers towards the more skilled begun by Nigel Lawson in 1985, in the face of severe employer hostility, should be carried further according to Prof Layard. He believes that NIS should be removed altogether on net hirings in the depressed areas.

Prof Layard also calls for a

more flexible housing market without starting the politically unpopular train on this and other issues. He wants more education and training, as does Lord Young. And he cannot resist calling for more infrastructure spending, even though what is sensible in this call is already subsumed in his other proposals.

But the pièce de résistance which provides the main mechanism for securing more jobs with no more inflation is the well-known proposal for a severe tax on pay increases above a prescribed norm.

Many of the above proposals have been endorsed in these columns, if only in desperation after seven years of ever-increasing unemployment. But I have two main problems.

First, most of the measures are emergency ones, not long-term. Labour market reform, a tax on pay increases — feasible for one, two or perhaps three years, and it is much better than a solemn and binding declaration from the TUC or statutory pay control. But in the long run firms will take successful avoiding action, as they do over all forms of pay policy. Similarly, it is possible to have a limited, but permanent, employment for a little while; but if the subsidies became permanent, companies would find means — even if it meant their own reorganisation — by which most of their workers became subsidy-walkers.

This is not to deny the proposals. As both high and low unemployment feed on themselves, an emergency programme could have a long-lasting effect. But if more fundamental changes would be required, a possible link between the emergency programme and longer-term TUC or statutory pay control is the exemption of genuinely profit-related pay increases from the pay tax.

My second reservation is more stratospheric. If a combination of a pay tax and selective unemployment measures can lead to more output and less inflation, a given growth of nominal demand, then the path projected in the 1986 Budget is generous enough. According to the Red Book, the growth of nominal GDP this financial year was supposed to be 6½ per cent, falling to 6 per cent in 1987-88. If the pay tax could help hold inflation at 2½ per cent, there would be room for real output growth of 4 per cent which Prof Layard rightly thinks necessary.

Unfortunately however, Nominal GDP growth is now about 1 per cent below Budget projections; and official excuses about a world pause are unconvincing. Prof Layard's own language of 1980s style demand management (and listening too much to Rudi Dornbusch) Prof Layard has passed up a chance for real output growth of 4 per cent which Prof Layard rightly thinks necessary.

Of course, if the Layard programme were tried, so many economic relationships would change that further measures might be necessary to maintain nominal demand. But it is far from certain. And it was an unnecessary hostage to fortune to lay down a policy mix consisting of a fiscal boost combined with a high exchange rate, on which Prof Layard and I standably partially changed our mind while the book was going through the press. But while I know better books on macro-economic policy, I do not know a better one on British unemployment.

Government woos
new atom boss

A veritable giant among men is being courted by the Government as prospective chairman of the UK Atomic Energy Authority.

John Collier, 51, over 6ft 4ins tall and broad in proportion, is being wooed back to Harwell which he first entered as an engineering student apprentice in 1951, to take command of the 13,000-strong, £400m-a-year research agency.

Collier, currently director of the Central Electricity Generating Board's generation, development and construction division at Barnwood, Gloucestershire, is one of the world's leading authorities on keeping water reactors cool and under control.

As a student apprentice, he won a scholarship to University College, London, graduating in 1958. He returned to Harwell and for the next 27 years rose steadily in the authority.

But in 1983, he was lured away by Walter Marshall, then

Men and Matters

A newly-appointed CRGB chairman should speak just before lunch on the Thursday of the conference. The brilliant reasoning is that Lawson's audience will be getting to its feet to go for lunch, anyway, at the end of the conference, and will be more easily led into a perfunctory ovation, at least, by the platform.

The Government, turned down on two previous occasions by the House of Commons, is seeking outstanding academics to head the authority, is avoiding all comment until Collier finally signs a contract.

But the betting in the nuclear industry is that Collier will take the vacant deputy chairman's seat in the autumn, and become chairman when Arnold Allen, the present incumbent, retires next spring.

Stand the test

Much hand-wringing, I hear, at Conservative Central Office over how to ensure that Chancellor Nigel Lawson gets a standing ovation at next month's party conference at Bournemouth.

Lawson, never the darling of constituency activists and usually disdainful towards them, made an all-out effort last year, you will remember, to trot the rank-and-file to their feet. And his speech, written and rewritten after he cancelled plans to attend the annual meeting of the International Monetary Fund, did at last succeed in breaking the silence which had greeted him in earlier years.

But how to repeat the success? Since then unemployment has gone up even further, the economy has stalled and interest rates are still at 10 per cent. Yet with a general election on the horizon, anything less than last year's applause would signal that even the most loyal troops had lost faith in his economic strategy.

After weeks of deliberation, however, Central Office thinks it has found an answer in careful timing of this year's speech. The present plan is that Lawson

Soft shuffle

Like most of her predecessors, Mrs Thatcher did not find it easy yesterday to tell the ministers who lost their jobs that their services were no longer required.

With courtesy — and despite the difficulties of a crowded timetable and preparations for her visit to Norway — she did her utmost to offer a personal word of comfort and appreciation to all the casualties.

It was David Lloyd George who insisted that a Prime Minister must be a good butcher. But Mrs Thatcher finds wielding the axe so distasteful that at least one junior minister due to be despatched in her last major reshuffle was reemployed at the last minute.

Sir Winston Churchill once resolved the dilemma of who should be sacked to provide an opening for a rising star on the Tory backbenches by decreeing that the choice should fall on whoever had spent the longest period in a junior post without achieving promotion.

The victim had spent ten years in various ministries without ever rising above the rank of parliamentary secretary.

Show business

Heaven protect us from the new realms of kitsch being pioneered by high tech product launches.

Hide and seek

The art of mounting a successful management buy-out lies in not being found out until one is ready to strike.

That is why around a third of the 105 delegates at the Confederation of British Industry's conference on buy-outs in London yesterday admitted to the organisers that they had taken assumed names for the day. Some were obvious — like Mr A. Anonymous and Mr A. Delegate — but the CBI suspects that a great many more were not admitting that they had come incognito.

At any rate, the organisers respected the need for confidentiality enough to refuse to hand out a delegate list to anybody. That was just fine for the secret buy-out plotters. But it made life extremely difficult for the 40 or so venture capitalists, accountants and other City professionals who had turned up eager to pick out the next deals.

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Observer

THE COMMISSIONAIRE opens the door of 12, Tolleshouse Yard, says "Good morning, sir," but then apologises for the absence of a lift. The old-fashioned solicitor of Cazenove, London's most exclusive stockbroking firm, has its drawbacks. Founded in 1823, and with two Cazenoves still on the list of 36 partners, the firm has arguably the best connections of any London stockbroking business, whether in terms of Britain's wealthiest families, or its list of corporate clients packed with blue chip names.

But Big Bang looms. Traditionally averse to publicity, the firm is reluctantly coming out of its shell. Its public relations advisers have persuaded the top partners to pose for press pictures. And Cazenove has even produced a corporate brochure — running to all of two pages.

Yesterday, after three years of planning, the firm at last unveiled the brochure which is intended to guarantee its position as the last independent London stockbroker. All the others in the top 20 have sold out to the City. British and foreign financial groups. Cazenove takes pride in being the odd one out.

Choosing his words delicately, Mr John Kemp-Welch, joint senior partner, points to the advantages of "not having to answer to an owner who may have differing priorities."

Two or three years ago there were suggestions that a number of London stockbroking firms might seek backing from institutions in order to stay independent, and Lazard, the merchant bank, organised syndicated finance to this end. But in the event, the prices paid by banks were so extraordinarily high that no broking firm could resist.

Except, that is, Cazenove, perhaps because of the firm's strong traditions. "I type because most of the individual partners are already very rich. "We have had enormous engagement from clients on all sides to remain independent," says Mr Kemp-Welch. Several of them, including a string of top insurance companies, and the 2500m Witan Investment Trust, which through its managers Henderson Administration has strong family connections with Cazenove, have put their money where their mouths are, supporting a £32m injection of loan capital, and a permanent underwriting syndicate.

The latest, according to Mr Anthony Forbes, the firm's other joint senior partner, represents a "significant" sum of money, which appears to be Cazenove's language for several hundred million pounds or more, available to support the firm's new issue activities.

"We have always been convinced that there is a major role for a strong, independent bro-

The future of Cazenove

Even the best connected need a little help

By Barry Riley, Financial Editor

Cazenove's joint senior partners Mr John Kemp-Welch and Mr Anthony Forbes

ker able to give unbiased advice and execution," says Mr Kemp-Welch. "We are also distinct from our competitors, which will be advantageous. It gives continuity to clients at a time when great change is taking place and when, we believe, personal relationships will become of increasing importance within the new City."

Cazenove is accustomed to taking a distinctive line. Over the past 20 years, when firms like James Capel, Wood Mackenzie and Scrimgeour Kemp-Gee have thrust their way to the top of the stockbroking league table on the basis of aggressive, research-based selling to investment institutions, "Cas" has concentrated on refining its role as the corporate broker par excellence.

It declines to publish research material on the grounds that this would conflict with its role as corporate adviser (though it claims that as many as 70 or 80 of its 500 staff are engaged on research of one kind or another).

If its share of secondary market business may have slipped a little over the years, it is pretty clear that its profitability has not, although there is, of course, no question of Cazenove, which will continue as a partnership, disclosing any financial numbers.

Mr Kemp-Welch is willing to give just a hint. "If you could have an insight into the make-up of our business and the make-up of the business of other firms I think you would be quite surprised at the difference," he says. "If you actually split up our gross revenue into, say, 100 different items you would find that less than a third of it would be directly affected by the negotiation of commission rates in London.

Fee earning business is very much greater here than it is elsewhere, as a proportion."

Cazenove is renowned for its ability to price and place new issues. At times, institutional fund managers have been almost in awe of the firm's salesmen, scarcely daring to turn down an issue for fear they might be cut out of the next one.

But conditions are changing fast. For the time being, Cazenove's independent stance is paying off. But in the longer term, it may prove to have been a "braver" decision than now appears. Certainly the firm recognises the uncertainty that lies ahead.

"Any views and judgments we may form now about the shape of either the primary or the secondary market post-October will be proved to be not entirely correct within a very short space of time," observes Mr Kemp-Welch. "Flexibility, as Selwyn is tremendously important."

The fundamental challenge

for Cazenove will be whether the firm can continue to provide a valued service for the 500 or so listed companies on its books. "We will lose some good clients, but we believe we will gain more," says Mr Kemp-Welch. "Our ambition must be to hold, at least in the round, our corporate clientele."

In the past, Cazenove has usually acted in tandem with various merchant banks. Cazenove has provided the distribution capability, the pricing advice and the specialist services related to Stock Exchange listing. The merchant bank has organised the preparation of a company for listing, the production of prospectuses, and has advised on bids and deals.

This separation of functions is now, in many cases, out of date. Some of the top merchant banks like Kleinwort Benson, S. G. Warburg and Morgan Grenfell have acquired their own stockbroking arms. They will be offering complete package deals to client companies. American investment banks

such as Goldman Sachs and Salomon Bros, are joining the London Stock Exchange, and are already becoming involved in negotiations and major secondary market placings.

Mr Forbes accepts that new clients may be harder to come by. "Where new business arises it must be logical that the merchant bank which has a corporate broking distribution capability will seek to do that business within his own organisation," he says.

But he claims that the general attitude of the corporate client is that he has been well-served by the complementary dual relationship with his merchant banker and his corporate broker.

According to Mr Forbes: "I expect that we ourselves will be doing more corporate work on our own than we have done in the past. We have naturally been a tremendous supporter of the complementary merchant bank and broker system. It seems to us to have served the client well. But that may, to an extent, change over the next period."

For instance, Cazenove may be keener to offer advice on takeovers. "For existing businesses we will continue to work with the merchant banks who are already in place. But there are examples already where we have offered, and will continue to offer, advice on that front."

One example of Cazenove working on its own in a new issue came last February when it launched the offer for sale of the Templeton Fund management group. In years gone by Cazenove might have thought it more prudent in terms of its relationships within the City of London to have acted in conjunction with a merchant bank in an issue of that size.

A straw in the wind was that in the recent flotation of Thames Television by County Bank, Cazenove found itself paired as broker to the issue with County Securities, the bank's new stockbroking outfit.

Typically, Cazenove sees a post-Big Bang opportunity to move into equity market making as a way of further cementing relationships with corporate clients. The firm is still impressive about its intentions, but it is likely to make markets in 50 to 100 second-line stocks — categorised by the Stock Exchange as beta and gamma securities.

Cazenove will steer clear of the highly competitive area of making markets in the 50 or so top grade equities known as alpha stocks. But it will seek to add liquidity to the less active markets in second liners, building on the research and distribution capability which it already provides to corporate clients.

"Where liquidity is already adequate, then I think that we are unlikely to join the pack. Where it is not, we definitely feel a commitment to do so," says Mr Kemp-Welch.

He sees the necessities as being not only to have the right people on the market making research capability in the relevant stocks, together with strong distribution. "Provided one has those three ingredients, then even in stocks where there may be a limited activity one should be able to look after oneself all right."

Cazenove has invested some \$10m of its partners' money in reshaping itself for Big Bang, not counting the new capital which will support its new issue and trading activities. It has expanded its staff numbers from 400 to roughly 500, a level where it expects to stabilise.

It has a string of small offices in financial centres around the world, which it reckons gives it a substantial international broking capability, though it has no intention of becoming involved in the game of passing 24-hour trading books around the world.

The firm will remain, however, something of a minor international player, and it will continue to have to rely on its skills and its contacts rather than compete head-on with the enormous financial muscle of the international securities groups.

But the tunnel of the City Revolution and the fierceness of the international competition seem remote inside the Tolleshouse Yard premises, where the atmosphere is akin to that of a gentlemen's club, with barbers hovering and portraits of Cazenoves of former generations gazing sternly from the walls.

"We are very confident that the message," says Mr Kemp-Welch.

**Lombard
Banks: bareness revealed**

By John Plender

THOSE who dare to question the British merchant banks' traditional aversion for disclosing true profits have long been flogged with bland assurance. Nobody is seriously misled, we are frequently told by members of that increasingly odd-body, the accepting houses committee, because the profits that the banks choose to disclose after transfers to inner reserves faithfully reflect the underlying trend.

As of last month that assertion is, as they say, strictly for the birds. For while most of us were on holiday the smallest member of the accepting houses committee, Rea Brothers, made a devastatingly frank revelation of true profits—a disclosure that seemed so far off odds with what went before as to sow doubt on what all the other non-disclosing merchant banks might be up to, and much else besides.

The story that the various figures purport to describe is unhappy one. Rea Brothers used, until recently, to be run by Sir Walter Salomon. Before stepping upstairs to the honou- rable post of president, Sir Walter steered his bank into a minority shareholding in the Dutch-based Amsterdamse Crediet- en Handelbank, or Amcrediet for short.

In the event Amcrediet made heavy losses on its loan portfolio, for which the English merchant bank has since had to make gross provisions and write-offs of £5.1m. This posed a less serious threat to the Dutch financial system than it did to Rea Brothers. Yet the Dutch central bank, as it was entitled to do under the central bankers' Basel agreements, asked the English shareholder to stand behind Amcrediet, despite the fact that it owned only a third of the capital. True to form, the Bank of England encourages Rea to stump up.

The result is that Rea Brothers has been obliged to replenis- h its capital with a rights issue; and it has abandoned the practice of maintaining hidden reserves. This was a splendid case of making a virtue of necessity since the reserve had anyway been wiped out. But it also entailed producing five years' worth of true profit figures that appear (see table) to contradict those that the bank originally disclosed.

	1981	1982	1983	1984	1985
Reported post-tax profit after transfer to inner reserves	£25	£51	£75	£90	—
Attributable profit after full disclosure	1,600	1,209	824	(224)	(852)

Rea Brothers argues in mitigation that it has not necessarily broken the convention about following the underlying trend of true profits because the new figures include a retrospective adjustment to allow for the creation of a general provision for bad and doubtful debts. And it claims that the figures originally disclosed follow the pattern of pre-tax profits, a disclosure provision for Amcrediet, more closely.

Notwithstanding this, pre-tax profits were going down in 1982 and 1983 when disclosed profits were going up at the start of a smooth progression. As the London-based research and credit-rating firm, IBCA Banking Analysis, points out in a robust research note, outsiders were misled and in 1984 shareholders were simply not informed that their company suffered an attributable loss.

So what did the shareholders make of it all? The question is arguably academic, for one of the more old-fashioned features of the bank is the ownership structure. While Sir Walter and his family held a little under 30 per cent of the capital before the rights issue, a group of four investment trusts controlled nearly 45 per cent. Their investment policies are administered by the bank itself, via an intermediary of which Sir Walter Salomon remains a director. So there you are.

Besetting sin of industry

From Mr P. F. Bachelor, Sir—Your editorial (September 5) referred to the Chancellor's judgment on British industry's sin of taking a short-term view. While the history of industrial decline clearly points to a verdict of guilty, of greater importance is the question of mitigating circumstances. I would suggest that the City has played a major role as agent provocateur. Most good managers know precisely what is required to bring about sustained growth in their particular segment of industry—investing in the long term. Such a view, however inevitably has an adverse impact on short-term results. As to the criteria which the City employs in assessing corporate performance, and by implication, its management, it is clear from your pages that short-term year-on-year comparisons prevail.

For as long as companies are set annual profit expectations by the City whereby failure to deliver automatically leads to management being judged inept and ripe for replacement, industry will continue to fall to the serpent's temptation of the myopic apple.

Perhaps the Chancellor would do better to encourage City pundits to take annual leave — literally!

Peter F. Bachelor, 10 Temple Grove, Enfield, Middlesex.

Worrying about radiation

From Mr R. J. Hills Sir—If Dr Brookes (September 2) really believes Mrs Barrett's worries about the nuclear industry's pollution of our planet are superstitious nonsense, and does not believe the level of man-made radiation is accumulating all the time, then the Government's "blanket assurances are having some effect.

Dr Brookes has presumably not heard about the Yorkshire TV documentaries reporting alarmingly high cancer levels in areas of nuclear activity, or the plutonium 239, americium 241 and other radioactive chemicals not occurring naturally in our environment, found in house-dust at Ravenham. Possibly he feels he can be light-hearted about radon gas because it has a half-life of only 3.8 days. This is also a mostly man-produced chemical (from uranium mining) and is estimated to have killed about 1,100 miners in the US alone so far. Uranium mining activity has ensured it will be with us for thousands of years yet, emanating from mill and mine tailings.

The "jellyfish" babies born to women in the Marshall Islands, and the abnormally

Letters to the Editor

From Mr P. F. Bachelor

high rate of cancers there, are the direct result of nuclear activity. With even the US Atomic Energy Commission, in 1959, estimated that atomic tests conducted in September 1958 alone would eventually result in well over a million major birth defects, stillbirths, etc. Mrs Barrett's worries are not without cause.

No one, at least in the northern hemisphere, has escaped some dose of man-made radioactive chemicals, but what is at present worrying here are the dose levels received by those living downwind of nuclear activity, particularly the very young or those in poor general health.

Dr Brookes likens such worries to those of our predecessors about witches. It was not the Mrs Barretts of that time who invented witches and slaughtered some half-million innocents. It was the predecessors of those who are responsible for the new menace, i.e. the authorities.

R. J. Hills, 21 Arbley Lane, Barnet, Herts.

Relevance is key to computer success

From Mr D. Robertson

Sir—Alan Cane (September 4) rightly warns that Mr Alan Sugar's success with the Amstrad word processor may lead him (and the industry) to harbour unrealistic expectations for its success.

I wonder, though, whether the problem is not simpler to describe and far harder to resolve—than Mr Cane suggests. Of course IBM could wield its technological clout to bring out more powerful and sophisticated devices for the same price. And this should indeed constrain Amstrad's hopes in the big company arena.

The issue, surely, is not the power and speed of the technology, which matters only to experts) but its relevance. Individuals and small businesses have bought computers in (relatively) small numbers not because they find the technology inadequate, but because they see no comprehensible benefit.

The most distressing words of the week were not Mr Sugar's. They were the ones used by that champion of the marketplace—Dixons—in its ad for the PC1512 the day after the launch. "FLEX, mouse, expansion, interfaces, operating software"—nothing about making your business more productive, managing your accounts or simplifying your tax.

Not one word about usefulness

of the small computer industry is to thrive it must learn to sell benefits — in words users can understand — and simplify the interface between user and machine so they can be more readily exploited.

David Robertson, Technology Response Ltd, 18 Shandon Road, SW4.

Employees and takeovers

From the MEP for Leicester (Conservative)

Sir—I was delighted to read your editorial (September 2). For many years it has struck me that an employee's relationship to his company is much closer than that of a shareholder; I have experienced both. For major changes in one's place of employment can have a major impact on life, career and success.

We of the Conservative Group in the European Parliament fought long and hard to get the freedom proposals modified from their original Socialist shape into a sensible and more viable framework.

It is indeed unfortunate that the British establishment has taken such unreasoning flight from their original Socialist shape into a sensible and more viable framework.

High-risk strategy for sterling

From the Chief Economist, Society Mills

Sir—In his article on sterling (September 4), Samuel Brittan contends that "the most helpful signals that the Government could give to industry would be some assurance that it will try to maintain sterling in the DM 2.8 to DM 3 range (or any similar range)..."

I believe a sterling strategy of this nature would carry high risk.

More than ever, in present conditions, an official \$/DM target range would place UK interest rate policy at the mercy of the US monetary authorities and prey to US interest rates

movement, and gyrations in the dollar.

This is because during periods of dollar weakness (which I expect to persist in the next year), the DM tends to be one of the world's strongest currencies. When such conditions prevail, it is present sterling's real value against the DM that underpins the pound, such as firm oil prices and high nominal and real UK interest rates.

Against this backdrop, it makes little sense to spend precious foreign exchange reserves and/or to raise domestic interest rates further to protect a hypothetical \$/DM target range. Better to allow the pound to weaken further against the D-Mark bloc, while remaining relatively stable against a weak dollar. This course would provide a much needed boost to exporters without fuelling inflation.

If a non-inflationary devaluation of the pound is going to be the order of the day, given the demise of the dollar, we should not look so rare a gift horse in the mouth.

Jeffrey Marshall, 20 St Thomas Street, SE1.

Advantages of a busway

From the chairman, Radcliffe Conservation League

Sir—In his letter favouring light rail systems Mr D. S. Gillan (September 5) quotes the Docklands light railway as an example of their successful use. But the passenger carrying capacity of light railways is very low and there is already discussion of the need, at considerable cost, to upgrade the system to full rail standards.

During early studies for the Docklands project an inter-departmental working group found that a busway would be by far the cheapest means of providing for the area's needs. However the developers chose the more expensive light rail to "show commitment."

The rolling stock of "light" rail systems is far from being light and their energy requirements are about three times greater than those for buses. In contrast to the low capacity of rail systems for carrying seated passengers, a study for the US Department of Transportation found that a single freeway lane used exclusively by buses provides "passenger-carrying capacity in excess of almost any known corridor's level of demand."

If the developers had chosen a busway initially they would have spared themselves the need to upgrade their rail system before it was even finished.

Angus Dalgleish, Showson Hill, Ransbury Road, Chertsey, Surrey.

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FINANCIAL TIMES

Thursday September 11 1986

Bostwick
Industrial Doors

Norway plans to cut oil exports by 10%

By Lucy Kellaway in London

NORWAY yesterday announced plans to cut its oil exports by 10 per cent in an attempt to prop up oil prices by adding its support to production cuts by the Organisation of Petroleum Exporting Countries (Opec), which came into effect last Monday.

Norway's move, which will take between 65,000 and 90,000 barrels of oil a day out of the spot market in November and December, yesterday boosted oil prices by 20 cents, partially reversing three days of decline. Brent crude closed at about \$14.70 a barrel.

The decision will probably be used by Mrs Gro Harlem Brundtland, the Norwegian Prime Minister, to put pressures on Mrs Margaret Thatcher, Britain's Premier, to cut UK oil production, when the two leaders meet in Oslo today. Yesterday's move coincided with talks in London between Mr Peter Walker, the UK Energy Secretary, and Mr Arne Oien, his Norwegian counterpart.

Britain, has repeatedly stated that it will not reduce oil output, and is becoming increasingly isolated among non-Opec members, many of which, including Mexico, the Soviet Union and Oman, have announced production cuts.

The reduction in Norwegian exports will be carried out at the Government's expense. It plans to refine and stockpile royalty oil — which amounts to some 10 per cent of production — rather than sell it on the spot market. By stockpiling oil, the Government sidesteps potential legal and political problems posed by a cut in production.

However, such a cut is probable if Opec discipline is maintained at the October meeting, and if present output cuts of 3m barrels a day are extended. Norway said yesterday that it is formulating plans "to implement new measures" which would come into force when the two-month export cap expires.

Norway currently produces about 900,000 barrels of oil a day, compared with about 2.7m barrels produced in the UK.

Schmidt keeps his sights on Kohl

Continued from Page 1

Bonn's new relationship with Washington, implying that the Germans no longer carry any weight in the US. There was also, he said, no clarity of thought in Cabinet about the Strategic Defence Initiative (Star Wars).

"It is not clear whether the Government thinks this initiative is to the strategic advantage of the Germans and the Europeans," he said. "If SDI should prove technically possible the Russians will catch up."

"What is the position of the Government on SDI? The American Defence Secretary underscores the strategic importance of the SDI need (on research contracts) with the Federal Republic and you, Mr Chancellor, play it down."

Neither was Mr Schmidt helpful on Bonn's row with Washington over interest rates.

"Whenever the US gets into economic difficulty the plans ring out from there to Tokyo and Bonn 'oh please, become locomotives and pull the international economic wagon out of stagnation,'" he said.

"It would be good to hear just once, Mr Chancellor, where you would like to have the D-Mark/dollar exchange rate. Do you want to keep it as it is? Or lower? Or how high should it rise again?"

"Today the D-Mark/dollar exchange rate is a yo-yo because you and the other heads of government, for four world economic summits in a row, have failed to make clear to the US the consequences of their outrageous deficit policies."

World Weather

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Amsterdam	15	W 15	100	London	16	W 10	100
Berlin	14	W 15	100	Paris	17	W 10	100
Brussels	14	W 15	100	Rome	19	W 10	100
Frankfurt	14	W 15	100	Madrid	18	W 10	100
Hamburg	14	W 15	100	Moscow	10	W 10	100
Heidelberg	14	W 15	100	New York	18	W 10	100
Köln	14	W 15	100	San Francisco	17	W 10	100
Mannheim	14	W 15	100	Sydney	22	W 10	100
Munich	14	W 15	100	Tokyo	23	W 10	100
Nuremberg	14	W 15	100	Hong Kong	28	W 10	100
Regensburg	14	W 15	100	Manila	29	W 10	100
Stuttgart	14	W 15	100	Peking	24	W 10	100
Worms	14	W 15	100	Seoul	25	W 10	100
Zürich	14	W 15	100	Taipei	26	W 10	100
Bombay	28	W 10	100	Hankow	27	W 10	100
Calcutta	29	W 10	100	Harbin	18	W 10	100
Canton	28	W 10	100	Urumchi	15	W 10	100
Delhi	30	W 10	100	Yantai	16	W 10	100
Guangzhou	28	W 10	100	Zhangjiakou	14	W 10	100
Hanoi	27	W 10	100	Qingdao	17	W 10	100
Jakarta	29	W 10	100	Shanghai	18	W 10	100
Kuala Lumpur	29	W 10	100	Tientsin	16	W 10	100
London	16	W 10	100	Wulumuqi	12	W 10	100
Los Angeles	18	W 10	100	Xinjiang	10	W 10	100
Mumbai	28	W 10	100	Zhenjiang	15	W 10	100
Osaka	23	W 10	100	Chengde	14	W 10	100
Paris	17	W 10	100	Xi'an	13	W 10	100
Seoul	25	W 10	100	Yincheng	12	W 10	100
Singapore	28	W 10	100	Zhangjiakou	14	W 10	100
Tokyo	23	W 10	100	Harbin	18	W 10	100
Washington	18	W 10	100	Urumchi	15	W 10	100
Yokohama	23	W 10	100	Xinjiang	10	W 10	100

Howe admits timing may weaken SA sanctions

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

SIR Geoffrey Howe, the British Foreign Secretary, conceded yesterday that he did not expect the US and Europe to adopt a common strategy for further sanctions against South Africa.

Sir Geoffrey also said that lack of co-ordination between Washington and the EEC could weaken the effectiveness of stiffer sanctions. He hoped, however, that the US and Europe would eventually adopt a common strategy.

Sir Geoffrey, who has been meeting top administration officials in Washington in his dual role as Foreign Secretary and President of the Council of Ministers of the EEC, also indirectly urged the US to try to prevent the arrest in Moscow of US journalist Mr Nicholas Daniloff from derailing arms control talks.

On South Africa Sir Geoffrey said that he expected the EEC foreign ministers at their special session next week to take action on the sanctions package against South Africa which they have drafted and which he said a majority of EEC

foreign ministers favoured. He added that, although it was clear that the US would come to some conclusions over the next few weeks on what further action to take. The timing and scope of any US moves was difficult to predict.

The US House of Representatives and the Senate have both passed, with overwhelming support, two widely differing bills calling for additional sanctions. What happens next depends in part on negotiations between representatives of the two chambers and with the Reagan Administration, which is opposed to punitive sanctions.

It is widely expected, however, that the White House will not be able to avoid endorsing some new initiatives.

Sir Geoffrey indicated that, although he expected differences between the sanctions the US and the EEC adopt there was a common strategy.

"It is clear that on both sides of the Atlantic there is a strong sense of the need to maintain effective

pressure on the South African Government to move faster to abolish apartheid."

Questioned by reporters about the Daniloff case, which has aroused fears that friction between the US and Moscow could block progress towards a summit meeting between President Ronald Reagan and Soviet leader Mr Mikhail Gorbachev, Sir Geoffrey said that the US "is right not to allow itself to be distracted by that case from the long-term task of pursuing good relations with the Soviet Union."

Sir Geoffrey's comments seemed designed to support the stance which Mr George Shultz, the US Secretary of State, has adopted of trying to avoid a rapid escalation of superpower tensions over the indictment of Mr Daniloff on spying charges. However Mr Shultz has made it clear that the Administration believes that the Soviet decision to arrest Mr Daniloff has the potential seriously to damage US-Soviet relations if it is not resolved quickly.

Tough measures proposed in bid to trim EEC milk surplus

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission yesterday proposed drastic plans to cut the EEC milk surplus by 3m tonnes a year and to restrict the system of guaranteed intervention buying for dairy products.

The plan, which has to win the approval of the community's agriculture ministers, would restrict the sale of milk powder to public intervention stores to only six months a year. It would also give the commission the right to suspend intervention buying for butter and milk powder in "exceptional circumstances."

The moves are undoubtedly radical, although they would still only trim the surplus running at about 20m tonnes a year before the sale of exports. The farm ministers are certain to find the proposals hard to swallow.

The immediate measures proposed by the commission, apart

from restricting intervention purchases, would tighten up dairy production quotas already imposed on EEC dairy farmers. They would prevent member-states from switching unused production quotas from one region to another which may be exceeding its quota.

Closing that loophole in the present system is expected to cut production by between 2m and 2.5m tonnes a year, commission officials estimated.

Another proposal would tighten the rules on the fat content of milk and penalise farmers for any surplus milk produced with an above-average fat content. The farmers would be forced to pay a higher superlevy on every 0.1gm of fat per kilo, instead of every 1.0gm at present. This is hoped to cut another 500,000 tonnes from production.

The tightening up of quotas and fat content of milk will be difficult

enough to get past the farm ministers, who meet next week under the chairmanship of Mr Michael Jopling, the British Agriculture Minister. In the long term, however, ending a year-round system of guaranteed intervention buying at guaranteed prices for dairy products is the most radical proposal.

The proposed restriction for milk powder would allow intervention buying only between April 1 and September 30 — admittedly the peak production periods, but still far less than the present 12 months. Dairies and co-operatives would have to dispose of their product on the open market at other times.

The commission did not give a clear indication of what it would consider exceptional circumstances to justify the temporary suspension of intervention buying for butter and milk powder.

Continued on Page 24

Thatcher promotes supporters but leaves Cabinet intact

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MRS MARGARET THATCHER, the British Prime Minister, yesterday promoted several of her supporters on the free market/right wing of the Conservative Party in an extensive reshuffle of the middle and lower ranks of the Government.

As expected there are no changes in the Cabinet but 18 ministers of state and under secretaries are leaving, three voluntarily, with several others being switched around.

The key moves strengthen the ministerial team at the Department of Health and Social Security and at the Scottish Office.

The main result is to put allies of the Prime Minister in the middle and junior levels of the main social and home affairs spending departments in addition to their current hold in the Treasury, and Industry Department.

The Prime Minister's aim was last night officially said to be to reward success and talent, to broaden experience and to bring in new blood while ensuring stability and continuity at the top level in what are expected to be the last big changes before the next general election.

This has involved the departure of a number of long-serving ministers of state such as Mr Timothy Raison (Overseas Development) Mr Barney Hayhoe (Health) and Lord Gray (Scottish Office).

The new appointments include Mr Tony Newton as Minister for

Health. His previous role was Minister for Social Security where he has piloted the Social Security Bill through the House of Commons.

He is being replaced by Mr John Major, who has been promoted to become minister of state. The Department of Health and Social Security team is being reinforced with the addition of two new members of the Government, Mrs Edwina Currie, on the health side, a prominent backbencher and former member of Birmingham Health Authority and by Mr Nicholas Lyell, on the social security side.

The promotions to minister of state include Mrs Angela Rimbould at Education and Science, Mr David Mellor at the Home Office and Mr Nicholas Scott at the Northern Ireland Office, where he has been an under secretary for five years.

The list of changes reflects Mrs Thatcher's desire to install in the Government people of similar outlook, for possible inclusion at permanent level after the next general election.

The appointment of Mrs Rimbould at education in place of Mr Chris Patten, a noted "wet" (moderate Conservative), for instance, will be seen as offsetting Mr Kenneth Baker, the Education Secretary, in a department where radical policy changes are being considered.

Similarly Mrs Thatcher has brought into the Government as ministers several MPs from her side of the party, including not only

Mr Currie but also Mr Peter Viggers, at the Northern Ireland Office and two former whips (party stewards), Mr Donald Thompson at Agriculture and Mr Archie Hamilton at Defence.

The list bears all the marks of Mrs Thatcher and of Mr Norman Tebbit, the Conservative Party chairman. This follows a criticism last year from the Tory right that the reshuffle then had promoted too many "wets" on the traditional wing of the Tory Party under the influence of Mr John Wakeham, the Chief Whip.

In particular, the appointment of Mr Peter Morrison, previously Minister for Industry, as joint deputy chairman of the Conservative Party alongside Mr Jeffrey Archer is apparently Mr Tebbit's personal choice in preference to the earlier proposal by the whips of Mr John Cope, Deputy Chief Whip.

Mr Morrison is leaving the Government but officials were last night stressing that this was in no sense a demotion but rather a reflection of his administrative abilities. He will have the special job of gearing up the party machinery for the election under Mr Tebbit.

Mr Morrison is being replaced by Mr Giles Shaw, a long-serving minister of state who has been regarded as one of the cornerstones of the Government but brings no particular ideological viewpoint to his new post.

Egyptian debt set at \$38.5bn by IMF

Continued from Page 1

Leading creditors include the US, France and Spain. Military debt to the US alone exceeds sales of \$2.5bn. France and Spain are also owed substantial sums.

Other points to emerge in the IMF study include:

- The overall fiscal deficit for 1985-86 is expected to be about \$28.5bn (about \$8bn), or 23 per cent of gross domestic product compared with a revised estimate of \$25.5bn and an original estimate of \$24.9bn;
- 60 per cent of debt service arrears were composed of interest payments;
- A slump in oil sales, lower-than-expected tax revenues and customs duties contributed to the higher-than-projected deficit in 1985-86;
- Revenues from oil sales were estimated at about \$2bn in 1985-86 compared with \$1.85bn in 1984-85. Egypt had expected sales of \$2.5bn for 1985-86 before the collapse of the oil market;
- Non-oil trade fell in nominal terms from a modest surplus in the early 1970s to an annual deficit of \$5bn by the first half of the 1980s.

As in previous years, the IMF is critical of Egypt's failure throughout the 1970s and early 1980s to introduce basic reforms. The fund blames present difficulties on this failure.

The economy suffered under mounting structural inefficiencies in the 1970s, the report said, and these inefficiencies discouraged the production of tradable items. Rising expenditure was financed

by foreign borrowing and recourse to domestic bank financing. The injection of domestic liquidity added an element of excess demand to structural imbalances.

The IMF blamed an overvaluation of the exchange rate and rigid controls on the internal marketing of agricultural crops for some of these structural imbalances. Agricultural pricing policies, which restrained prices of commodities such as cotton, rice and wheat, affected production of these staple items.

Egypt imports 90 to 70 per cent of its grain requirements. Bread is sold at heavily subsidised prices. Further reform of the pricing structure will be one of the IMF's key demands in any negotiation for credit facilities.

Saatchi loses \$50m slice of Procter account

By Alice Rawsthorn in London

SAATCHI & Saatchi, the international advertising agency which lost \$100m of business from Colgate Palmolive in May because it handles the Procter & Gamble account, yesterday learnt that the rival US household products group, was withdrawing \$50m of annual business. Procter & Gamble is Saatchi's biggest customer.

The losses will be a blow for Saatchi, which has lost a series of accounts because of client conflict since its \$40m merger with the US advertising agency, Ted Bates, in May. The merger turned the Saatchi group into the world's largest advertising agency.

Saatchi group companies in the US have lost five P&G accounts to other US agencies.

In the food division Chrissie and Chrissie Oil have moved to Grey Advertising and Duncan Hines baking mix to Cunningham & Walsh, because of the prospective conflict with the Saatchi agency, Dorland DFS's work for Nabisco.

In the household division Bonny paper towels has gone to Jordan, Manning, Case & McGrath and Lays disposable diapers to Leo Burnett because of the presumed conflict with Saatchi's work for Johnson & Johnson.

Mr Robert Goldstein, P&G's vice-president of advertising said in New York yesterday: "Due to competitive client conflict considerations arising from recent agency acquisitions we have decided that it is in our best interest to reassign these brands to other agencies."

"We intend to continue to work with both agencies (Saatchi and Dorland DFS) on important soap, detergent and beverage brands in the US and on a wide range of brands in other countries."

After the losses the Saatchi group will retain just over \$200m of P&G business. P&G recently assigned \$30m of new business to Saatchi, but in areas it did not perceive as potentially competitive with existing group accounts.

As a group Saatchi will still be P&G's largest agency worldwide, but Saatchi itself — which has long expressed its admiration for P&G as an advertiser — has lost its laurels as the single largest agency.

The Saatchi share price fell earlier in the summer after a succession of account losses in the wake of the Ted Bates merger. The shares have rallied in recent weeks on the news that Saatchi proposes to seek a takeover of the Tokyo stock market.

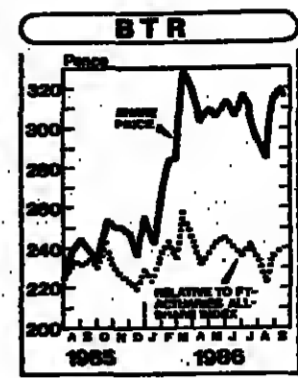
The shares fell in London yesterday, ending the day 20p down at 95p, although the London markets closed before the announcement of the account losses was made in New York.

THE LEX COLUMN Independence day for Cazenove

Compared to Cazenove, Green Garbo was a good mixer. The broker's unexpressed desire to be alone had looked increasingly maintainable as every other leading firm sold out in the belief that Big Bang cannot be survived without codes of capital. Now Cazenove seems likely to enjoy the best of both worlds: getting the capital without surrendering control. An underwriting syndicate allows Cazenove to do the business in corporate finance without having to cut in some banker every three primary issues is involved. The £32m loan stock, with the holders locked in for 15 years, will only be a millstone if profits are so low as to trigger the 8 per cent interest rate.

True, Cazenove will still not have sufficient backing to go into gilts-eligible primary dealing or alpha stock market-making, businesses which, to judge by the numbers piling in, must be regarded as prestigious. But the alternative of opening up the partnership, as Goldman Sachs and Morgan Stanley have done in their different ways, was clearly not acceptable to the group of 34.

Though Cazenove claims its independence attracts corporate clients, it may now lose a few friends in the City. While it was just a broker it could still pick up work as a distributor for the likes of Warburg and Morgan Grenfell. Now Cazenove is setting up as a rival the conglomerates may rely even more on their in-house bankers. And the extra underwriting capacity must exert greater pressure on commissions. The friends Cazenove cannot afford to offend are those in the underwriting syndicate — a sub-underwriting from Caz could be a sadder fate than ever.



That normally upbeat document, the BTR interim statement, yesterday contained something that could almost be mistaken for a cautionary note. Unlike BTR's memorably rising return on sales — now pushing towards 13 per cent — growth in sales volume is apparently proving a little harder to achieve; a disinflationary operating environment is the stated cause for this mild concern.

But the figures are every bit as impressive as the sharpest trading demands, at getting on for 15 times earnings. Thanks to some pretty good trading in almost every activity that does not sell into the oil industry, and £21m off the interest bill as the group swells off its post-Dunlop debt, earnings per share are up by almost a third. Not much for any shareholder to worry about there.

What BTR's public may begin to get nervous about is the absence, so far, of any move to avert the prospect of ending up — sometime around Christmas — with cash in the bank, retaining considerably less than it would have invested in industrial assets at the normal BTR return. It is danger to which BTR is unlikely to succumb, however clouded the outlook. Meanwhile, the spectacle of Hanson auctioning off the plums of its latest acquisitions has left BTR looking ever so slightly staid, as the recent underperformance suggests. Temporary, no doubt.

Brit. Aerospace

After five years as a listed company, British Aerospace remains as much of an enigma to the City as ever: is it a manufacturer, successfully making his of high technology on relatively low capital employed, or is it an international financial operation whose physical businesses are merely sources of investible cash?

With its interim results yesterday, Aerospace itself seemed to lean towards the second school by rolling up interest receivable on advance payments into trading profit. As the six months included a cash advance payment on the £5bn

BAT

It had to happen eventually. BAT has produced figures almost completely unaffected by currency fluctuations. The change in exchange rates since the end of last year has taken only \$1m out of pre-tax profits. So the City of London has just its most trusted cause for not getting the results right — in this case underestimating pre-tax profits by up to £20m. If Eagle Star accounted for the quoted composite do then profits would indeed have been that much lower; investment appreciation added £5m to the pre-tax line, of which £20m was unrecouped capital gain. One way or another BAT is

UK hopeful of solving Gatt impasse

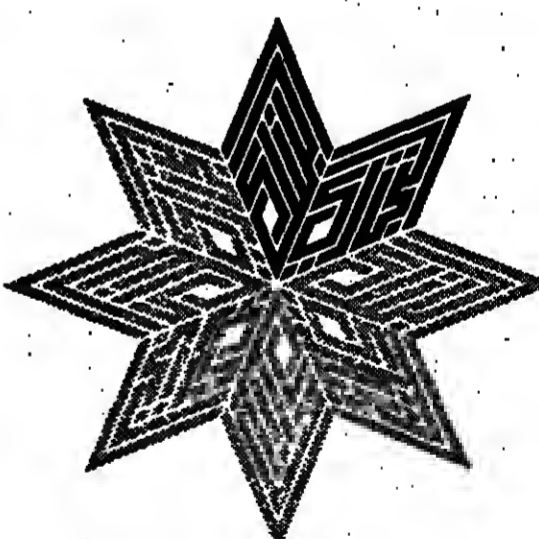
Continued from Page 1

Britain and other countries do not agree that the text discriminates against the EEC. But they will seek first of all to have the wording changed to make clear that farm support programmes in the US and elsewhere are also on the table.

If that proves impossible, France may be under pressure from its EEC partners to accept the words as they stand.

Mr Channon admitted yesterday that, despite British optimism, the talks would be difficult.

"I think it would be foolish of us to take them for granted. But we remain cautiously optimistic. The EEC, and certainly Britain, will be doing their utmost to get a successful launch, but it's not a certainty."



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Leadership change for Prudential Insurance

By Anatole Kalitsky in New York

MR ROBERT BECK, chairman and chief executive of Prudential Insurance Company of America, the world's largest insurance company, is to retire in February, Prudential has announced.

He will be succeeded by Mr Robert Winters, one of the company's two vice-chairmen, who is at present in charge of central corporate and financial operations. Mr Beck, who is 61, has been Prudential's chief executive since 1978, and has overseen a rapid expansion in terms of both Prudential's assets and its areas of operation. Prudential's total assets exceed \$120bn, making it the largest non-banking financial institution in the world.

Under Mr Beck's leadership, the company has expanded into stockbroking and investment banking through the acquisition of the Beche Group, now called Prudential-Bache Securities. Mr Winters is 54, and has been with Prudential for the last 35 years. From 1975 to 1978 he was president of Prudential's central Atlantic office in Philadelphia, and from 1978 until his appointment as vice-chairman he was an executive vice-president.

New chief for re-emergent Manville

BY WILLIAM HALL IN NEW YORK

MR W. T. "TOM" STEPHENS, aged 43, has taken over as chief executive of Manville Corporation, the Denver-based fibre glass, forest products and specialty products concern which is expected to emerge from the bankruptcy courts over the next few months—after years of costly and bitter litigation resulting from health problems associated with its asbestos business.

Mr Stephens replaces Mr John McKinney, who stepped down as chairman and chief executive on September 1. Mr George Dillon, 65, has taken over as chairman. The two men inherit the daunting task of reviving the fortunes of one of America's most celebrated bankrupts. Manville filed for protection under Chapter 11 of the US bankruptcy code in August 1982, after being overwhelmed by lawsuits related to health problems caused by its asbestos products.

When the company ran into difficulties it put much of the blame on the US Government, which it said had failed to accept financial responsibility for its role in causing much of the disease. "This is not a financial failure, it is rather a failure of our court and legislative systems to provide an orderly way to compensate victims of an unexpected occupational health catastrophe," Mr McKinney said on the day Manville filed for bankruptcy.

When Manville filed for bankruptcy, it was the biggest and healthiest company to seek the



Mr George Dillon, left, takes over as chairman while Mr "Tom" Stephens takes over as chief executive

protection of the courts. However, despite Mr McKinney's brave words, Manville has paid dearly for its problems and is a shadow of its former self. Its management has been locked in often acrimonious battles with its creditors, and Mr Josh T. Hulse, who was considered Mr McKinney's heir apparent, resigned as president in April. Mr Stephens, who joined Manville Forest Products Corpora-

tion, a subsidiary, in 1963, succeeded Mr Hulse. Although Manville has settled some of the asbestos-related claims against the company, at the end of June there were still 17,220 claims for a total of \$112.7bn outstanding. Under the proposed reorganisation plan, Manville shareholders face a potential dilution of 93 per cent. A hearing to consider

confirmation of the proposed plan is scheduled for November 3. However the official committee representing the company's equity holders and certain other parties have voiced opposition to the plan, which could delay its implementation.

In the first six months of 1986, Manville earned \$37.2m on sales of \$946.1m. The group's three main businesses are fibre glass products, such as home insulation, forest products and a range of industrial products such as lighting fixtures.

MR GOERAN LINDAHL has been appointed an executive vice-president of Asea, the Swedish engineering group, and a member of the senior corporate management, with responsibility for the power transmission group.

Mr Lindahl has worked for Asea since 1971. In 1983, he was appointed general manager of the Asea Transformers side of the group.

NEW UNITED MOTOR, a joint-venture company formed by Toyota Motor Corporation, of Japan, and General Motors Corporation, of the US, has appointed Mr Kan Higashi its president and chief executive. Mr Higashi succeeds Mr Tatsuro Toyoda, who has been re-assigned to Toyota, Japan.

Mr Higashi has moved from being executive vice-president and chief operating officer of the joint venture, which was established in the US in 1984.

Miner rises to take top job at Westpac

By Robert Kennedy in Sydney

SIR JAMES FOOTS, who started his working life as a Broken Hill miner, almost 50 years ago, has been appointed chairman of Westpac, Australia's biggest banking group. He succeeds Sir Noel Foley, whom Sir Noel steps down from the Westpac chair after the bank's annual meeting in January.

Sir James, 78, has been a director of Westpac for 15 years and is deputy chairman of MIM Holdings, Chancellor of the University of Queensland and a director of Asarco, the US mining company. Sir Noel, who reaches the mandatory retiring age of 72 next month, has been chairman of Westpac since 1980, and is a former chairman of CSR and Amstihl.

Sir Noel joined the Brisbane branch of a subsidiary of the British Tobacco Company as a junior clerk in 1936. He became chairman of the company, W. D. and H. O. Wills, some 20 years later.

Sir James started his working life in 1938 as a miner in Broken Hill and joined MIM in 1955 as general manager of its Mount Isa operations. He was appointed managing director of MIM in 1966 and chairman in 1970.

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BUSINESS PLANNING MANAGER

London

Our client is one of the country's largest and most prestigious corporate organisations with £multi billion assets and revenues and with annual capital expenditure approaching £1 billion. They seek a Manager — Business Performance and Planning — to be responsible to the Commercial Controller.

The prime task is to develop further the organisation's approach to business planning and its integration into established procedures for determining short term budgets and medium term resource plans. There will also be a requirement to further develop reporting to top management within the organisation and for analysing performance against the business plan, highlighting important variances of both a financial and technical nature. The work will involve close

c.£30,000 plus car

cooperation with both production and construction management, the control of a small, qualified inter-disciplinary team and the use of extensive computer facilities.

Applicants, preferably aged mid to late 30's and ideally graduate FCAs or MBAs, should be mature, commercial business thinkers. They should have excellent presentation skills and should have extensive corporate planning experience preferably in a construction or heavy engineering context. The salary is negotiable to £30,000 per annum, plus car and usual benefits. This large and diverse organisation offers a wide range of promotion prospects.

Please write, in confidence, with full career details, quoting reference 6025/L to John W. Hills, Executive Selection Division.



Peat, Marwick, Mitchell & Co.,
165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

FINANCIAL CONTROLLER

Croydon

Our client, part of a major international financial services group, is positioning itself to capitalise on new business opportunities in the UK and Europe and to meet the challenge of providing quality financial products and services to its clients into the 1990's.

The Financial Controller will be responsible for managing and developing all financial accounting and taxation functions. This includes implementing enhanced computerised accounting systems and advising senior management on the financial implications of business decisions.

c.£27,000 + Benefits

Candidates, preferably chartered accountants, must have previous experience at a senior level in the financial services sector, preferably the insurance industry. A thorough understanding of computerised accounting systems is essential. Good communication skills and a confident but adaptable personality is needed. The ability to successfully manage and motivate staff in a developing environment is essential.

Please write in confidence enclosing career details and quoting reference 6467/L to Anne Roudedge, Executive Selection Division.



Peat, Marwick, Mitchell & Co.,
165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

No ordinary audit role....

Attractive opportunity in Sevenoaks, Kent

This is a rare opportunity to establish an internal audit function within a dynamic group of service companies with exceptional growth potential.

Your initial brief will be to establish and develop an internal audit function virtually from scratch and to strengthen the overall financial management of the group by providing professional commercial advice and guidance. You will be involved in all areas of this very exciting group where change is rapid and the work style is entrepreneurial and decisive.

You are likely to be in your mid 20's to mid 30's, ACA/ACCA with a broad range of audit experience to include small and medium sized businesses. Experience of computer audits and investigations would be useful but not essential.

You should be able to demonstrate the potential to be appointed to a senior finance role probably within one of the operating companies.

Salary is for discussion c£20K but should not be a limiting factor for the right candidate in addition to a fully expensed car, pension, and medical cover.

It is important to emphasise the nature of the role — a 'box tickler' is not required a proactive professional accountant is.

Please write — in confidence — with full career details to Phil Bainbridge, Selection Consultant, ref. 8.5302.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australia and Asia Pacific.

HAY-MSL

FINANCIAL SERVICES

CONSULTING SERVICES TO EXPATRIATES

1. Achievement of Business Plan depends on major contribution by persons of integrity, and determination who are credible to clients.
2. Emphasis is on personal financial planning. Terms for discussion £20,000 p.a. plus. Based UK, substantial travel envisaged.
3. For preliminary chat and further details, contact Managing Director, mornings, on 01-623 3356. Principals only. All discussions in strict confidence.

Accountants

IT'S THE 99% WE TURN AWAY THAT INSURES THE QUALITY OF YOUR CAREER.

If the best accountants, the best economists, or top business professionals of any discipline automatically made the best management consultants, life would be a great deal more simple for us. But the successful transition to management consultancy work is not that straightforward, which is why we insist on our rigorous selection process. The end result amounts to only about one in a hundred applicants joining us!

To earn that distinction you must first have achieved rapid upward progression in your chosen career. Beyond that, you will have the mental agility to identify the core of a business problem and produce a practical, yet creative solution. You will also have the strength of personality to convince others of the objectivity of your ideas, and the patience and organisational skills to ensure a successful implementation.

The quality of our people is clearly reflected by the quality of our assignment work. Such projects are problem-solving roles of immense variety stemming from small bus-

nesses, multi-nationals and government. You could, for example, be part of a team advising on a major organisation study, a management information system, or a profitability review for a bank, venture capital company or newspaper publisher. On the other hand you may be involved in a privatisation study, or a review of a merger or acquisition.

The permutations are endless and without exception provide that essential stimulus for your developing intellect.

Our search for the elusive one per cent continues, hand-in-hand with our rapid growth. In London, Birmingham, Manchester and Glasgow we need outstanding people with a good first degree, an accountancy qualification and at least 3 years' commercial experience.

Salary is open to negotiation and a car is provided. Exceptional achievers can anticipate partnership within 4 years.

Please write or telephone, in complete confidence, to: Michael Hurton (Ref. 2675), Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

Touche Ross
Management Consultants

PARTNER POTENTIAL COMPUTER AUDIT

London

£30,000-£35,000 + Car

Our client is a major firm of Chartered Accountants with a substantial, well-established national and regional computer audit function. The firm now seeks an experienced professional to take over control of its London operations.

Applicants should be Chartered Accountants aged 30-35 with relevant major firm, principally mainframe, experience and a high degree of technical competence. It is essential that they also have the ability to respond to challenge across the whole business spectrum and particularly to developments in information technology over the next decade.

The successful candidate will have the presence and personality to motivate staff and engender confidence with clients and colleagues. Partnership prospects are outstanding.

Please reply in confidence with brief career details or telephone D.E. SHRIBMAN.

HUDSON SHRIBMAN

THE COMPLETE FINANCIAL SELECTION SERVICE

Vernon House, Sicilian Avenue, London WC1A 2QH. Tel: 01-831 2323



ORION ROYAL BANK LIMITED

A member of The Royal Bank of Canada Group

Director of Operations

Occupying a leading position in the International Capital Markets with a continuing strong expansion of its activities in the areas of Eurobonds, Gilts, Equities and Treasury products, the Bank invites applications from candidates with superior ability and management skills to fill the appointment of Director of Operations at Executive Director level.

The successful candidate will have a minimum of five years experience of managing a settlements operation, a proven record for people management and organisational skills to plan and implement the changes in settlements techniques which technology will bring.

A highly competitive remuneration package of salary plus benefits will be provided.

Applications, in strictest confidence, should be addressed to:
D. C. Blacker,
Personnel Director,
ORION ROYAL BANK LIMITED,
1 London Wall, London EC2Y 5JX.

MANAGEMENT CONSULTANTS

Are you eager for success?
Are you available now?

As a result of our continued growth we require several MANAGEMENT CONSULTANTS to maintain our development.

Could you be one of them?
You must be highly motivated with an appetite for achievement. Your successful track record will show that you are thoroughly experienced in the business to business area and capable of problem solving for small and medium sized companies, be they financial, commercial or manufacturing.

You will receive comprehensive training and the back-up necessary. A first rate remuneration package commensurate with effort is offered.

If this is your sort of challenge and you would like to join our expanding team, please send complete career details to Mark Quinry, Ref. FT, Independent Consulting and Management Company Ltd., Rawplug House, 147 London Road, Kingston-upon-Thames, Surrey KT2 6NR.



PROJECTS

This highly diversified commodity trading company, with an outstanding record of profitability and development, requires a qualified accountant, 25-34, for a head office project role. Enjoying involvement in statutory and management accounting the role also embraces troubleshooting for subsidiary companies, investment in acquisitions and systems development. This is a high profile role offering considerable commercial involvement and excellent prospects. Ref: LMS CITY £25,000

CONTROLLERSHIP
This substantial manufacturing subsidiary of a major public group requires a 'Number One' finance to join their dynamic management team. Reporting to the Chief Executive and assuming overall management responsibility for a large accounts function the role also offers considerable involvement in upgrading management reporting systems. Candidates should be graduate qualified accountants, 30-35, seeking rapid progression and commercial involvement. Ref: GR ESSEX/SUFFOLK BORDERS £21,000 + Car

EUROPEAN

The subsidiary of a major US group providing heavy equipment for a specialist market requires a Controller for its four European companies. Bringing an aggressive, 'shut-out' approach to problem solving, the Controller will handle all reporting, improve controls in up to date subsidiary reporting, and take on a broad range of project work. Candidates should be qualified accountants, 25-35, fluent in French, and seeking substantial career challenge. Ref: GR KENT/SURREY BORDERS To £25,000 + Car

Robert Half Personnel, Freeport, Roman House,
Wood Street, London EC2B 2JQ. 01-638 5191.

ROBERT HALF

FINANCIAL DIRECTOR (DESIGNATE)

A substantial established Engineering Group is embarking on a programme of restructuring in one of its operating divisions.

There is a requirement for an experienced qualified Accountant (aged 34/45) to assist the Divisional Accounting Director in developing a new management structure and appropriate financial planning and control procedures. This involves two substantial and profitable subsidiary companies with a combined turnover in the region of £25 million, engaged in the manufacture of large volume consumer goods marketed under well known brand names.

Candidates should preferably hold an appropriate University degree and be a member of either C.A. or I.C.M.A. Opening experience in light engineering associated with consumer goods and volume distribution is desirable. Initially the appointment will be in the London area for a period of some six months with ultimate transfer to the East Midlands.

This new appointment offers a good initial financial package including car as well as prospects for further advancement within the Group.

Please apply in confidence with full career history including current salary to:
Mr. P. V. Evans, Personnel Manager,
Dobson Park Engineering Limited,
Pillings Road, Oakham,
Leicestershire LE15 6LW.

(A member of the Dobson Park Group of Companies)
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ACCOUNTANTS

c £17,500 - £25,000 + car

Are you a recently qualified accountant or financial controller for a new career?

With a wide variety of excellent positions available in small to medium-sized companies, and diversity of roles, our clients are ideally placed to fit your requirements.

Our service is personal, professional and completely confidential. We may have just what you've been looking for, so why not ring us today, for an appointment or simply send us your CV.

Ref: CA/946

SYSTEMS ACCOUNTANT

c £18,000 + car

Our client, a well established name in the finance sector, located in Central London, wishes to recruit a Qualified Graduate Accountant.

The successful candidate should have knowledge and experience of reviewing accounting systems, preferably gained in a company department. He/she should be self motivated with initiative, drive and the ability to communicate and to influence change where necessary.

Ref: AT/711

For further details, please or write quoting reference to:
ACCOUNTANCY ASSOCIATES LIMITED
Temp./Perm. Recruitment Consultants
5 VIGO STREET LONDON W1X 1AH TELEPHONE 01-439 3287 TELEX 2778

Accountancy Appointments

COMMERCIAL MANAGER

Our client is a subsidiary of a large International Trading Group. The UK operation is in the FMCG business, ranging from "high tech" diagnostic equipment to service related and phylographic accessories.

The successful candidate will report to the Chief Executive with a strong functional relationship to the holding company.

He will be a qualified accountant with a generalised track record, including such disciplines as personnel, inventory/materials management, investment appraisal, long and medium term business planning.

Total remuneration package consistent with the position.

Telephone (0753) 888092 (24 hrs ans) for information or send full CV quoting Ref: 593 to:

Brian Smith Associates, Management Consultants, 9a Station Road, Gerrards Cross Bucks SL9 8ES

European Finance Director

Home Counties
c. £40-45,000 + executive benefits

This well-known public Group is one of the world's leading companies in their field, with European turnover exceeding £35m and widespread international manufacturing and marketing activities. A challenging opportunity has now arisen to make a considerable impact on the success of the European division.

Reporting to the Managing Director, key tasks will be to review and control all financial matters affecting the division and provide strategic input to the future growth and direction of the business.

We seek a high-calibre qualified accountant who is currently heading up the finance function, in a fast-moving, preferably international environment, demanding a high level of management skills. Specific experience must include the operation of strong financial management and controls, product costing and the development of computerised information systems. Experience acquired in a fashion orientated industry would be ideal.

A highly attractive remuneration package will match the importance of

this position and career prospects within the Group, either in finance or general management will be discussed at interview.

Candidates should write enclosing a full CV and quoting reference MCS/2036 to Milton Ives Executive Selection Division Price Waterhouse Management Consultants No 1 London Bridge London SE1 9QL

Price Waterhouse

Tomorrow's Challenge

City From £20,000 + Bonus + Car

Continually striving to break new ground, our client, a major City service group, is currently diversifying its trading activities within the UK. The group is on the acquisitions trail and committed to substantial growth in the foreseeable future.

Consequently, a qualified accountant is sought, aged 25-30, who can identify with this single minded approach and is eager to take on a variety of challenges. The immediate requirement being the establishment and implementation of financial and management information systems for recent acquisitions, geared to supporting their business objectives both today and in the future.

Career opportunities are exceptional and the position represents a rare opportunity to join the group at an exciting stage of growth and make a positive contribution to its continued success. Salary will not be a limiting factor and the comprehensive benefits package includes an exceptional annual bonus and full relocation expenses where appropriate.

Write with full CV and daytime telephone number to Patrick Donnelly quoting ref: FT/116.

tfi The Finance Index
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

Financial Controller

W/NW of London c £25,000 + Car (Includes Bonus)

This is a successful division of a major international group with substantial interests in manufacturing and marketing industrial goods in Europe.

This division, turnover £25 million, has four profit centre operations and two manufacturing sites in the U.K. and is a leader in the supply of consumables in their industry sector. Due to a group promotion they now need to recruit a Divisional Financial Controller who will report to the Managing Director.

Responsibilities will include the full range of financial management and information supply areas, whilst managing a small centralised and localised staffing to tight deadlines. However, it is essential that you will be closely involved with major decisions of the business as well as advising profit centre managers.

Candidates probably 30-39 and qualified CCA's or CMA's must have gained broad experience in an exacting manufacturing environment. Well developed man management skills are essential and will help you take advantage of the excellent promotional opportunities. Generous relocation aid is included in this senior management benefits package. Please apply in writing with full career details, quoting reference 2154 to Geoffrey Forester, Corporate Resourcing Group, 6 Westminster Palace Gardens, Artillery Row, London SW1P 1RL. Telephone: 01-222 5555.

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Chief Accountant

Salary package up to £25,000 plus car Ware

Glaxo is the largest pharmaceutical company in the UK and has substantial interests overseas. The Group's success in recent years is attributable to an excellent research and marketing record in the field of new therapeutic compounds. The Ware site is a major manufacturing and research establishment employing a total of 2,000 people.

The present Chief Accountant is due to retire shortly and we now wish to appoint a successor, who will report to the Site Manager and manage a department of some 30 people. As a member of the Site Executive Team, he or she will be expected to make a major contribution to policy and management. A proven record in identifying and seeing through initiatives to improve cost performance and the ability to control a multi-million pound capital expenditure programme are a prerequisite for the position.

As rigorous financial management control is essential for this major position, we are seeking a high calibre, qualified accountant with an excellent educational and professional background. The company offers an attractive remuneration package and benefits including a company car, profit sharing bonus scheme, non-contributory pension scheme, BUPA, and assistance with relocation where appropriate.

Please write, sending a C.V. or telephone for an application form, to: Dr W Proudlock, Company Personnel Manager.

Glaxo

Glaxo Pharmaceuticals Limited
GREENFORD ROAD, GREENFORD, MIDDLESEX. TEL: 01-422 3434 ext 2020.

Deputy Financial Controller

Croydon to £27,000 + Car

Our client, one of the largest international life insurance companies in the world, with nearly \$30 billion of insurance in force, is currently seeking a qualified accountant to act as Deputy to their Financial Controller.

The individual required must have worked with a life insurance company and it is essential that they should have experience of accounting for unit-linked business. Managing a sizeable accounts department, responsibilities will include the preparation of financial and management reports, the development and operation of management

information systems and liaison with Regional Managers throughout the U.K. and at Head Office in the U.S.

The successful candidate, aged 32-45, will be a proven man-manager, capable of making a considerable contribution to the development of the finance function.

Interested applicants should write to Philip Rice MA, ACMA, Executive Division, enclosing a comprehensive C.V. and daytime telephone number, quoting ref. 342 at 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

Financial Controller

Property and Securities

Belgravia SW1

c £25,000 + Car

Our client manages the UK equities and property portfolios of a major multi-national group.

Reporting to the Managing Director, you will be a key member of the small professional management team and your responsibilities will encompass all aspects of accounting, financial control, project appraisal, cash management and administration. A particular need is to develop improved budgetary control, portfolio management and management information systems using microcomputer facilities. We will therefore be looking for keen commercial awareness, high technical skill and good microcomputer experience.

An accountancy qualification is essential. Age is not a critical factor but the position could have particular appeal for someone at Manager level with a major accountancy firm who would find this an absorbing stepping stone into commerce. You will already have a good appreciation of the property or securities business possibly as one of your audit clients.

Located in prestigious premises in Belgravia, the company offers an attractive remuneration package for someone with commercial flair who can contribute to the prosperity of the business.

Please send concise details, including current salary and daytime telephone number, quoting reference 02008, to W S Gilliland, Executive Selection Division.

Grant Thornton Management Consultants

Fairfax House, Fulwood Place, London WC1V 6DW.

FINANCIAL CONTROLLER

N.W. SURREY c. £22½K + car + bonus + benefits

The Company is a successful and expanding Importer of Menswear.

Reporting to the Managing Director you will be responsible for ensuring the efficient running of all Financial and Management Accounting Systems, the on-going development of the Computer Network and the day-to-day management of the Accounts Department.

You should be a qualified Accountant, probably in your 30s, with at least three years' experience in a total finance function using computerised financial and management accounting systems. Expertise in cash flow management, foreign currency operations and import procedures is an essential prerequisite.

Interested applicants should apply in writing enclosing a curriculum vitae to:

Mr. J. Admiraal, Managing Director
12-14 Brassey House, New Zealand Avenue
Walton on Thames, Surrey KT12 1QD

Management Challenge

Finance & Administration Middlesex to £20,000 + car

Our client is a privately owned storage company which is currently expanding and diversifying its trading activities. It is now poised to aggressively exploit the market and build upon its success.

In line with this expansion they now seek a qualified accountant, aged late 20's-early 30's, to join their management team. Assisted by a small department which already employs sophisticated computing facilities, you will be responsible for the day to day running of the accounting and administration function. However, the brief is broad and will include responsibility for financial and strategic planning and the provision of management information to support the business now, and in the future.

The appointee will play a vital part in the overall success of the company, and will therefore require a rare combination of technical skills and imagination. Well developed commercial instincts and the ability to achieve agreed business objectives in a small, but hectic, environment are essential personal qualities.

Applications, giving full personal and career details, including current salary, should be submitted quoting reference SHA/833 to John Dennison at: Stoy Hayward Associates, Management Consultants, Executive Recruitment Division, 8 Baker Street, London W1M 1DA.



Stoy Hayward Associates

MANAGEMENT CONSULTANTS

A member of Howarth & Howarth International

FINANCIAL DIRECTOR DESIGNATE

Tunbridge Wells

Age 38-45 £38,000 + car

Private Patients Plan Limited (PPP) is a leading and progressive medical insurance company, which was established in 1940.

The company now seeks a Financial Director Designate, who will report to the Managing Director and be responsible for planning and securing implementation, throughout the group, of a sound financial strategy, encompassing funding, profitability, taxation, investment management, diversification and for meeting statutory and other accounting requirements.

In addition, the responsibilities will include managing group insurances and the investment and administration of the group's pension fund.

Candidates, preferably with a degree, must be qualified accountants with experience of financial management in insurance; knowledge of the accounting and reporting requirements of large companies, experience of taxation and of computer systems in large companies is also required.

Salary is negotiable to £38,000. There are attractive fringe benefits, including car, subsidised mortgage, PPP medical insurance, pension scheme. Assistance with relocation expenses will be given where appropriate.

Prospects are excellent and appointment to Financial Director is envisaged about six months after commencement.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2704 to W.L. Tait, Executive Selection Division.

Touche Ross The Business Partners

Hill House, 1 Little New Street, London EC4A 3TR. Telephone: 01-353 8011.

Accountancy Appointments

Is this job too interesting for the average accountant?

Management Consultancy

up to £30,000 plus car

If you're an accountant aged between 28 and 33, able to demonstrate a good track record, preferably in management and you are looking for a different direction in your career, take a good look at Price Waterhouse. Management consultancy with us could be just the challenge - and the change - you need. As one of the leading international business advisory and management consultancies, only the best will do. Which goes for the people we employ.

You can expect to:

- contribute directly to improve client profit performance
- implement cost reduction programmes
- develop and implement financial and treasury control systems
- develop practical and cost effective solutions
- be challenged intellectually and professionally
- gain recognition and reward for your personal efforts.

If you have ACA, ACCA, ACMA or CIPFA qualifications, here's your next move:

Simply write in confidence, with relevant information, (quoting MCS/8414) to Michele Deverall at Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL.

Price Waterhouse

Financial controller

International merchant banker
City, c£30,000 + car and benefits

C&L

Our client is a fast-growing merchant and investment banking organisation providing a range of services to customers internationally. A strategic focus of the company is on sophisticated and innovative activities designed to meet the more complex finance and investment requirements of companies, government bodies and financial institutions.

Reporting to the Financial Director and leading a team of managers you will be responsible for the financial and management accounting of the company. Your role will include the supervision of various day to day administrative and operational functions. This is a high profile job, with scope for personal achievement and with the opportunity to influence the company's continuing development.

Aged early thirties, you should be an ambitious ACA with experience in an international financial environment. You should have the ability to become part of the company's closely-knit team of professional staff.

Above all we are looking for a person with commitment, energy, enthusiasm and interpersonal skills who wishes to work in a challenging environment.

Résumés including a daytime telephone number to Torrance Smith, Executive Selection Division, Ref.R571.

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Shelley House 3 Noble Street
London EC2V 7DQ

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01-248 4864

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01-248 5205

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01-248 4782

FINANCIAL PLANNING & ANALYSIS

U S MULTINATIONAL - WEST LONDON

ACA, ACCA, MBA, 28-35 £35K PACKAGE

Our client, a dynamic organisation with a reputation for innovative marketing, has an immediate requirement for a professionally qualified financial manager who can demonstrate exceptional flair and motivation.

Responsibilities will include strategic and financial forecasting, liaison with operations and marketing staff and coordinating marketing activities.

The successful candidate will be an achiever, displaying strong interpersonal skills, who will be motivated by a success oriented environment. Prospects for rapid promotion to any one of several locations within the UK or overseas are excellent.

The remuneration package will include a high base salary, bonus, fully expensed executive car and other benefits. Relocation assistance will also be provided where necessary.

Interested applicants should telephone Keith Allen on 01-930 7850 or write enclosing brief details to the address below.

ROBERT WALTERS ASSOCIATES
RECRUITMENT CONSULTANTS
66-68 Haymarket London SW1Y 4RF Telephone: 01-930 7850

Finance Director

Financial Services Sector

Central London

Our client is an expanding PLC operating in the financial services sector. They currently seek to recruit a Financial Director who will report directly to the Managing Director and the Main Board on all aspects of the company's financial control and reporting functions.

Preferably aged in their mid-thirties, the ideal candidate will be a high calibre Chartered Accountant, capable of demonstrating a strong record of career success, preferably in the financial services sector. Operating as part of a small dynamic management group, your experience to date should ideally include loan negotiation, corporate funding and project evaluation, particularly in the area of company acquisition.

The attractive remuneration package, which includes a share option scheme and company car, will reflect the importance of this appointment.

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive CV, and daytime telephone number, quoting reference 345, at 39-41 Parker Street, London WC2B 5LH. Please indicate any companies to which your application should not be sent.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Young Chief Accountant

International Group

Essex (M25)
to £18,000 + Car

Our client is the UK subsidiary of a successful £4 billion German conglomerate. The UK freight forwarding operation has achieved exceptional growth in the last decade with a turnover now totalling £18m. A network of 8 branch offices has already been established and significant investment has been made in sophisticated and fully integrated data processing systems.

To meet future growth predictions and maintain an essentially high level of financial management, the company has decided to create the new position of Chief Accountant to manage the accounting function under the Financial Director who is heavily involved in the expansion of the business.

You should be a Qualified Accountant aged 24-28 years and able to demonstrate a high standard of technical competence and familiarity with computerised systems gained in the profession or commerce. You will also need considerable skills of leadership and the ability to work with others in a fast moving environment.

The company offers an attractive remuneration package and there are excellent career prospects in this fast expanding international group.

Interested applicants for this challenging position should send concise details including current salary and daytime telephone number, quoting reference H2033 to W S Gilliland, Executive Selection Division,

Grant Thornton
Management Consultants
Fairfax House, Fulwood Place, London WC1V 6DW.

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3538 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8501

Opportunity for line management development in a challenging environment

ACCOUNTING MANAGER

C. £20,000 + CAR

EUROPEAN HEAD OFFICE OF MAJOR US ENERGY GROUP

We invite applications from chartered accountants, aged 28+, who will ideally be experienced in US reporting requirements; working within tight deadlines; foreign currency accounting and computer systems. What is essential is someone who is an effective person manager, good communicator and is prepared to do whatever is necessary to get the job done. The selected candidate who will report to the Director of Accounting and MIS, will be responsible for the overall control of the management accounting function. Salary will be circa £20,000 plus a company car and other benefits will include non-contributory pension, free life and medical insurance. Applications in strict confidence under reference AM18226/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT APPOINTMENTS LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Nearly qualified Accountant or Finalist? seeking to gain large company experience in an appointment with excellent career prospects? then this challenge will appeal to you

YOUNG ACCOUNTANT

... Internal Audit

at least £11,500 + excellent staff benefits: Liverpool

ROYAL INSURANCE (UK) LTD. we are seeking to recruit an ambitious SENIOR INTERNAL AUDITOR to work from our modern Head Office in the centre of Liverpool. You will join a professional audit team whose function is to carry out detailed audits at our UK branches and in the Head Office. This will involve working away from home for the equivalent of about one week in four.

The position will provide you with a very good introduction to our company systems and your prospects for further advancement are seen as excellent.

You should be nearly qualified or Finalist. ACA or ACCA and possess integrity, initiative and well developed communication skills, both oral and written. A clean driving licence is essential and familiarity with computer systems and insurance company accounting standards would be valued.

Starting salary will reflect qualifications and depth of experience. Excellent staff benefits package includes mortgage subsidy non-contributory pension scheme and relocation assistance where appropriate.

Please write with full career details to M. B. Hodgson, Assistant Manager, Manpower Development Unit, U.K. Personnel Department, Royal Insurance (U.K.) Limited, P.O. Box 144, New Hall Place, Liverpool L69 3EX

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Royal Insurance

AUDIT MANAGER

International Oil Company

Murphy Eastern Oil Company (a subsidiary of Murphy Oil Corporation USA) is well established in the UK and is highly active in servicing both the downstream and upstream sectors of the oil industry.

Murphy Eastern offers an extremely diverse and in-depth exposure to the industry, involving refining at Milford Haven, Wales, a sales and distribution network in the UK and production and exploration activities in the North Sea and elsewhere in the Eastern Hemisphere.

Based in the company's London headquarters and reporting to the Chief Accountant, you will be responsible for planning and implementing effective audits and reports on all aspects of the company's business with particular focus on quality of systems and controls.

The successful candidate will probably be a qualified accountant, with wide experience of audit and investigation work gained in the accountancy profession or with a major industrial or commercial group, preferably oil or petrochemical related.

Sound interpersonal skills and an ability to communicate effectively at all levels are vital.

The remuneration package is comprehensive and competitive. In complete confidence please write giving full details of age, qualifications, experience and present salary to:

The Personnel Manager, Murphy Eastern Oil Company, Winston House, Dollie Park, Finchley, London N3 1HZ.

MURPHY
EASTERN OIL COMPANY

Manager Financial Services

£20,000 + Benefits + Car

A prestigious City specialist service and management group now seeks an accountant to fill an unusually broad and demanding role in one of its key divisions.

Above average communication skills both orally and in written work are essential as is the high level of technical competence necessary to brief senior management with logical, concise and relevant information.

Familiarity with the legal and financial subtleties of the property sector, current computer systems and the ability to meet strict reporting deadlines are important.

Employment conditions are excellent and the benefits package substantial. Please telephone or write in complete confidence to Mann Management, 160 New Bond Street, London W1Y 0HL. Tel: 01-629 4226.

MANN
MANAGEMENT

Accountancy Appointments

FINANCIAL CONTROLLER - DIRECTOR DESIGNATE

ACAs 28-35 CITY OF LONDON neg. c. £25,000+car

Our client is a rapidly expanding quoted group of companies in the high technology computerised management information systems industry seeking to appoint a Financial Controller for their London Head Office. Reporting direct to the Managing Director, the role will cover group financial accounts, management accounts, company secretarial services and allied legal matters, computer based modelling, capital project appraisal, cash flow forecasting and acquisition appraisal.

Candidates should be able to demonstrate good commercial expertise outside of public practice, be experienced in computer controlled accounting methods, have staff management skills and not have a "9 to 5" approach to working hours.

Prospects exist to Financial Director status in the short term. Benefits include BUPA, Life Cover, Permanent Health Insurance.

For more information, please contact George Omsod B.A., (Oxon) or Stephen Hackett B.A., (Oxon) on 01-896 9501 or write with your CV to Douglas Lambias Associates Limited at our London address quoting reference No. 7083.

410 Strand, London WC2R 0NS. Tel: 01-636 9501
163a Bath Street, Glasgow G2 4SQ. Tel: 041-226 5101
India Buildings, Water Street, Liverpool L2 0BA. Tel: 061-227 1412
115/115 George Street, Edinburgh E2 4BL. Tel: 031-229 7744
Brook House, 71 Fennell Street, Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LAMBIAS

Douglas Lambias Associates Limited
Accountancy & Management
Recruitment Consultants



Finance Director

Publicly quoted group

City

c. £40,000+car & benefits

Our client is well established within a specialist area of the manufacturing industry. Publicly quoted and with a turnover in excess of £12 million, the Company has expanded rapidly as a result of strategic and imaginative acquisitions.

Key responsibilities will include financing the Group, monitoring the performance of the three UK operating units and working with other Board Members to plan and implement strategies for further Group development.

Personal qualities must include real commercial flair, a determined but diplomatic approach, and the drive to effect change and improve performance.

Please send full personal and career details in confidence to Ann Bishop, quoting reference 1645/FT on both envelope and letter.

Candidates must be qualified Accountants, preferably Chartered, with extensive experience of both the manufacturing industry and of dealing with City institutions.

Preferred age range is 30-45.

Deloitte Haskins & Sells

Management Consultancy Division
P.O. Box 198, Hillgate House, 28 Old Bailey, London EC4M 7PL

FINANCE DIRECTOR DESIGNATE

ENERGY MANAGEMENT

c. £30,000 + CAR

WEST OF LONDON

This expanding company provides turnkey energy management solutions, tailored to optimise energy savings in industry and commerce. Already a significant force in this developing market, the company is targeting sales of £25M in 5 years and has the backing of one of Britain's largest public groups.

The Finance Director will contribute to strategic issues as part of a closeknit management team and interpret the financial implications of business options. You will help win business by presenting financing packages to prospective clients. The short term priority will be enhancing the content and timeliness of management information.

A qualified accountant in your thirties, you will have a record of increasing responsibility and status in demanding environments. Commercial flair, presence and communication skills are essential to represent the company at senior levels. Experience of project financing or of a high value capital goods environment would be an advantage.

Please write in confidence enclosing concise career, personal and salary details to Heather Mele or Martin Lawless, quoting ref. no: L149, at Slade Consulting Group (UK) Ltd, Metro House, 58 St. James's Street, London SW1A 1LD. Tel: (01) 829 8070.

London • Melbourne • Sydney • Brisbane • Adelaide • Perth • Auckland • Christchurch

SLADE CONSULTING GROUP (UK)

CJA

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8601

New position for qualified energetic 'sleeves rolled up' accountant who thrives on working under pressure.

CJRA ASSISTANT MANAGER - FINANCIAL ACCOUNTING
CITY £18,500-£21,000 PLUS GENEROUS BENEFITS PACKAGE
EXPANDING INTERNATIONAL MERCHANT BANK

We invite applications from qualified Accountants, aged 28-32, who must have at least 3 years' banking accounts experience, preferably with an International Bank, together with the ability to effectively motivate and control staff. The successful candidate, who will report to the Manager, will be responsible with a team of three staff, for budgeting and budgetary control, annual accounts, financial analysis for board meetings and ad hoc technical assignments. Essential qualities are a high degree of motivation, a conscientious and committed approach to work, an eye for detail and a sense of humour. Initial salary negotiable £18,500 - £21,000, plus generous banking benefits package which includes non-contributory pension, mortgage subsidy, free medical/life insurance. Applications in strict confidence under reference SA19229/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JONESTON RECRUITMENT ADVERTISING LIMITED, 36 NEW BROAD STREET, LONDON EC2M 1NH.

REPTON SCHOOL

QUALIFIED ACCOUNTANT REQUIRED

in new appointment of School Accountant starting January 1987. Preferred age range 40-50, salary in region £14,000-£15,000.

Full particulars from:
The Bursar (FT)
Repton School
Repton, Derby DE6 6FH

DIVISIONAL FINANCIAL CONTROLLER

Publicly quoted group c.£22,000 + car

Do you thrive on success?
Are you keen to achieve results and progress your career in a sophisticated financial environment?
In this rapidly expanding group, which has a turnover in excess of £250m, there is a need for an ambitious person to join the largest division's financial team.
The work is demanding and you will be expected to contribute to the success of the division. In addition to the financial work you will have a wide brief to tackle a range of interesting assignments. You will be responsible to the Divisional Financial Director.
You will be a qualified Chartered Accountant in your early 30s, who has gained experience and responsibility, preferably in a manufacturing environment. You must be able to cope with change and have the confidence, flair and drive to make an impact.
Career prospects are exceptional and the good rewards will include an excellent salary, a quality car, BUPA, a company pension scheme, life insurance cover and relocation expenses if appropriate.
If you are interested, telephone Stuart Adamson FCA or Andrew Nicholson FCA on 0532 451212 or send your CV to Adamson and Partners, 10 Lisbon Square, Leeds LS1 4LY.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

GEC METERS is a successful company within the U.K.'s foremost manufacturing group and has an enviable record of growth and investment.

An immediate vacancy exists for a

FINANCIAL CONTROLLER

Reporting to the Finance Director, the successful applicant will be responsible for internal financial controls, management information systems, development of computerised reporting systems and the management of a busy Finance Department.

Applicants will be qualified with 5 years' experience in a manufacturing environment. Familiarity with export procedures, e.g. ECGD and tender vetting, will be advantageous. The successful candidate will be committed, self-motivated and should be capable of progressing to a more senior financial or general management role.

A competitive salary, company car and excellent conditions of employment will be offered for this position.

Application forms are available from:
Mr. R. Haggerly, Personnel Manager, GEC METERS, Stonefield Works, Stone, Staffs. ST15 6RS.
Tel: 0786 612111.



Energy Efficiency by Design

FINANCIAL ACCOUNTANT: UP TO £17,000

We are a major public company and our Head Office in the City is seeking a Financial Accountant.

Reporting to the Group Financial Accountant, the successful applicant will be one of a small head office team with a range of responsibilities including the preparation of the published Group accounts and the presentation of financial information to the Board.

This is a highly computer-orientated role involving the use of a main-frame computer as well as a PC.

Applicants should be:
★ Finalists or recently qualified accountants (ACA/ACCA)
★ Familiar with computer-based accounting systems
★ Preferably experienced in the consolidation of financial accounts.



Please write in confidence enclosing a detailed CV to:
Miss S. Hennen, Tate & Lyle PLC,
Sugar Quay, Lower Thames Street,
London EC3R 6DQ.



Young Accountant London/Amsterdam

One of the best known financial groups offers an exceptional career opportunity to a finalist or newly qualified accountant aged mid 20s.

After a short introduction to the group's business and accounting methods in the London Head Office, you will be seconded to its Dutch subsidiary based in Amsterdam early in 1987 for up to two years.

This will coincide with the transfer of accounting responsibilities from London to Amsterdam. Main tasks will include

controlling this transfer; developing financial and management reporting for both local and group purposes and assisting with the implementation of computerised systems.

Rent free accommodation will be provided in Amsterdam; salary is negotiable c.£18,000 and additional benefits include a non-contributory pension and low cost mortgage.

Contact David Tod BSc FCA
on 01-405 3489
quoting ref D1479/AF.

Lloyd Management

125 High Holborn, London WC1V 6QA Selection Consultants 01-405 3499

QUALIFIED ACCOUNTANT

City Banking House

Licensed Deposit Taking Institution and Licensed Dealer in Securities (wholly owned subsidiary of foreign bank), our staff with a wide range of banking activities, seeks a qualified accountant late 20's/early 30's to head up the Accounting Department and internal administrative functions.

The company maintains an IBM 34 and the job requirement includes running and developing the accounting and internal audit systems, preparation of statutory and monthly management accounts, returns to supervisory authorities (UK and overseas), monitoring treasury and foreign exchange operations, dealing with personnel matters, taxation, pensions, etc.

Candidates must relate closely to senior management and the managers of the operational departments in a small but dynamically growing environment. A competitive salary with usual benefits is being offered to the right person.

Apply with detailed CV to:
Managing Director

Box A0257, Financial Times, 10 Cannon Street, London EC4P 4BT

Finance Controller

West End Salary c£25K + Car

A substantial periodical publishing group has been growing rapidly both organically and by acquisition, and is poised for further medium term growth.

Reporting to the Finance Director, the Controller will be a key member of the management team and will have significant contact with the director of each division. In addition to managing a department of over 30 staff, further development of the financial systems will be a major priority.

Candidates will be graduate qualified accountants, aged 27-35 with proven management experience using on-line systems. In addition, they will possess a strong open personality to communicate effectively in a rapidly changing environment - where priorities need frequent reassessment. The remuneration and benefits package will be negotiable.

Please send adequate details, in confidence, with daytime telephone number to Peter Willingham, quoting ref LM14 at Spicer and Pegler Associates, Friary Court, 65 Creech Road, London EC3N 2NP, or telephone 01-480 6862 for a confidential Career Summary Form.



Spicer and Pegler Associates
Management Services

Accountancy Appointments

Divisional Financial Controller

North of London to £27,500

Substantial restructuring of the UK activities of this prominent British group leads to this new appointment in a profitable manufacturing division with a turnover in excess of £60m. The requirement is for an able and determined financial manager to become a member of the management team, responsible for strategic financial planning, control and reporting of the division's operations. A strong feel for the most appropriate information systems is a specific need.

Above all, the abilities to motivate a large department and to make a significant commercial contribution are key attributes. We seek qualified candidates in the mid-late 30s with recent managerial experience in a large-scale group, who are ready to move into a senior financial role in a Top 100 company.

PA

PA Personnel Services

Executive Search - Selection - Psychology - Remuneration & Personal Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 0600 Telex: 27674

SEARCH & SELECTION CONSULTANCY

PART & NEWLY QUALIFIED ACCOUNTANTS
CENTRAL LONDON & EXCELLENT

Robert Walters Associates is a financial recruitment consultancy with an impressive record of sustained growth. To meet the demands and challenges of expansion into new ventures we now wish to appoint two high calibre individuals to complement our existing team of consultants. We are interested in hearing from young accountants who wish to move away from mainstream finance into a high-profile consultancy role offering management potential within two years. The successful applicants will possess excellent communication skills, strong marketing flair and confidence in their ability to deal with Blue Chip clients, including major financial institutions on a day-to-day basis. We pay attractive salaries and involve our consultants from day one in a profit-sharing bonus scheme which can result in earnings significantly above those in more traditional areas. The package includes private health care and company car (after a qualifying period). If you are interested in finding out more please give David Ryves, Director (Commerce), a call on 01-930 7850 or write enclosing a brief summary of experience to the address below. Naturally, all replies will be treated in strictest confidence.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

66-68 Haymarket London SW1Y 4RF Telephone: 01-930 7850

Financial Controller Are you outstanding?

We are a firm of executive search consultants. Our client—a leading international food manufacturing company based in the Midlands, has assigned us to find a first class Financial Controller who is seeking a unique career opportunity. To succeed you would need to meet the following criteria:

- 25-40 years age
- Currently earning in excess of £18,000
- possess:
 - * a track record in successfully managing high calibre personnel;
 - * the drive and ability to reach a top management position within a short period of time;
 - * the desire to stretch your capabilities and broaden your experience in a competitive and professional environment.

Please write in complete confidence to me, Joanna Man, Ely House, 37 Dover Street, London W1X 3RB. Telephone 493 8827.

Audit Manager

a Europe-wide role with a world leader

c£20,000+car based Enfield, Middx

Matchbox Toys Limited, one of the world's top toy manufacturers, has this exceptional opportunity for an experienced finance professional.

Reporting to the Group Internal Auditor, who is based in Hong Kong, you will have full operating responsibility for the co-ordination of all financial and operational audits throughout the European division. This division includes manufacturing, warehousing, distribution and marketing facilities in England—at Enfield and Rochford—and in France, Germany, Spain and Italy.

A qualified accountant, aged 26-30, you will probably be either, working in the profession, with one of the "big eight", or will have had at least 2 years experience of internal audit with a large multinational, ideally in manufacturing. Experience of computer-based financial systems will be advantageous as the European division will shortly be converting to IBM 386 equipment. Extensive European travel is anticipated therefore a sound working knowledge of either French or German is essential. Familiarity with US, German and French statutory reporting procedures would also be a distinct advantage.

As well as the excellent salary and company car the attractive benefits include generous relocation assistance where appropriate.

Please write enclosing a detailed CV to: Mr G. Lewis, Personnel Manager, Matchbox Toys Ltd., Burleigh House, Great Cambridge Road, Enfield, Middlesex.

MATCHBOX

Group Finance Director

Main Board - Major London Based PLC

Our client is one of Britain's most successful growth oriented international companies. The leader in its industry sector. Acquisitive, dynamic and very profitable.

The Group Finance Director should ideally be a Chartered Accountant, highly intelligent, with financial management, corporate finance and treasury experience.

Age likely to be mid-30's to late 40's. A good presence and interpersonal skills are essential.

Our client will structure a most attractive package of cash earnings and stock options. This is an outstanding opportunity.

Replies will be treated in strictest confidence and will not be referred to our client without your approval.

Please send full resumé to: Search Resources International, Ref No. JW1, Chronicle House, 4th Floor, 79-78 Fleet Street, London EC4Y 1HX.

F.D. Designate

North London £20,000 + car

With a record of continued growth through acquisition and expansion of activities, our client now has a turnover in excess of £2m.

A Financial Controller is sought to balance the management team and to take responsibility for all financial and administrative activities as well as to strengthen cost control and management reporting systems.

It is anticipated that the successful candidate will become Finance Director.

For further information call Brian Cogswell FCCA on 01-387 5400 (overings on 0223 22224) or write to him at the address below.

FINANCIAL SELECTION SERVICES

DRAUGHT HOUSE, GORDON STREET, BLOOMSBURY, LONDON WC1H 0AN

Finance and Administration Director

London c.£23K + car

The Client: Part of a major communications group, this division subsumes recruitment advertising, executive search and selection, and communications consultancy and generates a substantial, and profitable turnover.

The Position: The Finance and Administration Director will sit on the divisional Board and report to the Chief Executive. A key responsibility will be for the improvement and installation of financial and administrative systems to meet the needs of a fast-moving business. Other dimensions of the role will be: the production of profit plans and forecasts and the provision of the financial perspective on all strategic decisions.

The Candidates: Should be qualified accountants, preferably aged 25-35, with wide-ranging experience ideally gained in the service sector. Substantial involvement in systems specification and implementation is, of course, essential.

Applications, please, in confidence, quoting reference 2551/FT to S. C. Mackay at Charles Barker MSI, 30 Farringdon Street, London EC4A 4EA. Tel: 01-634 1143.

CHARLES BARKER
SELECTION • SEARCH • ADVERTISING

Chief accountant

North East, c£20,000 + car

C&L

This is the number one financial position in one of the most successful manufacturing companies in the region. A multi million pound investment programme has seen turnover rocket to £35 million and a consolidation of their market leadership.

Your role will be to ensure that they have the financial systems to match those in manufacturing. There will be on-going enhancement with the emphasis on financial management, effective costing, M.I.S. and the development of D.F. You will therefore have considerable scope for demonstrating flair and innovation as part of a decisive management team.

A qualified accountant, probably aged up to 45, the prime requirement is a proven ability to run the finance function in a substantial manufacturing company. You will additionally need to be able to demonstrate personal strengths in the enhancement of computerised systems and product costing. Where appropriate there will be assistance with relocation to one of the most attractive locations in the North East.

Résunés please, including a day time telephone number, to David Owens, Executive Selection Division, Ref. D196.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Archbold House Archbold Terrace
Newcastle upon Tyne NE2 1DQ

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We propose to publish the list in our issue of Thursday, September 25, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £41.00 per single column centimetre. Special positions are available by arrangement at premium rates of £40.00 per sec. Newly qualified Chartered Accountants are never easy to recruit—do not miss this opportunity! We will also be including in this feature a

**GUIDE TO
RECRUITMENT CONSULTANTS**

and entries in the Guide will be charged at £60.00 which will include company name, address and telephone number.

For further details, please telephone:

Louise Hunter
on 01-248 4864,
Jane Liversidge
on 01-248 5205
or Daniel Berry
on 01-248 4782

FINANCIAL TIMES
Europe's Business Newspaper

Newly Qualified CA

Thames Valley

To £18k + package

With over 40 companies and a turnover in excess of £600M, my clients are the market leaders in their industry. Future plans include penetration of other European markets.

Reporting to the Chief Accountant the successful candidate will be directly responsible for the HQ Accounting function and involved in Treasury operations, acquisition studies etc.

Applicants will ideally be newly qualified Chartered

Accountants with the interpersonal skills necessary in this highly visible HQ role.

The Group offer excellent benefits and a clearly identified career path to those whose ambitions are matched by their performance.

Candidates should send a fully comprehensive CV as soon as possible to Marion Fry, CKL Management Services Limited, 299 Oxford Street, London W1R 1LA. Tel: 01-499 8281

INBUCON

Qualified Accountant

North West

c. £20,000 + car

Our client is a subsidiary of a major international group engaged in the manufacture of fine chemicals. An expansion programme has created the need for this attractive career opportunity.

Since this role will provide the main support to the Finance Director the requirement is for a commercially aware, qualified accountant with financial and management accounting skills, a good practical knowledge of computing and financial planning techniques and man-management flair. Applicants below the age of 30 are unlikely to have had the width of experience we seek.

In addition to salary and car the benefits package includes contributory pension scheme and relocation assistance where appropriate.

Please write with full career details quoting reference number 4150 to:

A. G. N. Burden.
INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Search and Selection
Knightsbridge House, 197 Knightsbridge,
London SW7 1RP



Accountancy Appointments

Finance and Systems Manager

£20,000, Car + Benefits *Heathrow*

This is a real career opportunity to work with a progressive company, t/o ESM, market leaders in their field with diverse and expanding markets.

As Divisional Head of Finance your broad ranging responsibilities as a key member of the management team will include management accounts interpretation/analysis and the creative development of management information systems. As a practical contributor of imaginative ideas, you will also look at ways to improve administrative and financial systems, perhaps through further computerisation and take a major role in the development of existing financial and operational computer systems.

I would like to hear from qualified accountants aged 25-30 who ideally have worked in industry or commerce with a flair for systems. Applicants should be comfortable operating in an informal and unstructured environment where the emphasis is on team work and commercial acumen.

Attractive benefits include negotiable salary, generous profit share, private health for family and company car.

Please send a CV with full career details to Robert Little, FER Management Selection, 12A Commercial Way, Woking, Surrey GU21 1HG.

PER

Management Selection Division

Management Personnel

CAREER DEVELOPMENT FOR ACCOUNTANTS IN THE CITY

The City offers a diverse range of opportunities for accountants: those with ambition and commercial acumen are well rewarded. You are likely to be qualified, aged 25-35 and possess excellent communication skills. Should you have some City experience then so much the better.

We at Management Personnel would like to talk informally to you about your career development and the type of role you are seeking.

Telephone: 01-256 5041 (out of hours 01-981 5863)



10 Finsbury Square, LONDON EC2A 1AD.

Chief Accountant Control Your Future Oil Company

Play a key role and enjoy a full and varied workload within this London based oil company which has significant producing interests in the North Sea.

Reporting to the Financial Manager and supervising the accounting team, you will take charge of the computerised financial accounting and management information systems. This will include preparing budgets and forecasts, monitoring expenditure and providing advice on accounting procedures and information for tax and royalty purposes.

In your mid to late 20's, and ideally a qualified accountant, you have several years' broad experience gained within an oil company. You have a working knowledge of PFI, are familiar with North American accounting policies

and procedures and are experienced in the implementation and running of computerised accounting systems. Capable of organising, managing and motivating staff, you adopt a practical approach to your work and operate effectively in a compact and financially secure organisation.

The flexible remuneration package is negotiable and includes attractive salary, stock ownership and, where appropriate, a company car.

In complete confidence, please write with c.v. to Elizabeth Davis of Cripps, Sears & Associates Limited, Personnel Management Consultants, International Buildings, 71 Kingsway, London WC2B 6SL. Telephone: 01-404 8701.

Cripps, Sears

EMPLOYMENT CONDITIONS ABROAD LIMITED

An international association of employers providing confidential information to its member companies relating to employment of expatriates and nationals worldwide

Anchor House
15 Britten Street
London SW3 2YL
Tel: 01-351 7151

ADMINISTRATIVE CONTROLLER

for

Commodities Private Client Services

Rudolf Wolf, a leading City Commodity Company, seek a resourceful and imaginative person with commercial and financial flair to join a small team, taking responsibility for developing the administrative structure of its newly established Private Client division.

Particular areas of responsibility will include relationships with trade organisations and regulatory bodies and definition of the interface between Private Client Services and the Company's traditional business. However, the responsibilities will undoubtedly evolve in accordance with the needs of the new department as its operations grow.

Suitable applicants may have an accountancy, legal or similar professional qualification.

For application details please contact Shona Fraser at Rudolf Wolf & Co Ltd, Private Client Department, Plantation House, 31-35 Fenchurch Street, London EC3M 3DX. Telephone 01-636 8766

ACCOUNTANT (General Management Potential)

A publishing group in Hertfordshire with a good track record to date requires an Accountant with General Management experience to take the Company forward with the objective of going on the USM within the next three years. The right candidate, who should have a firm approach to business success, will be rewarded handsomely.

Write in confidence to Box A0250
Financial Times, 10 Cannon Street
London EC4A 4BY

SENIOR APPOINTMENTS
FINANCIAL CONTROLLER
£25,000 + Benefits, pension and
Travel Group Middle East
INVESTMENT MANAGERS
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Venture Capital-London
FINANCIAL ACCOUNTANT
£20,000 + Car
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MANAGEMENT CONSULTANTS
ACCOUNTANT
£22,000
UK International-London
For further information
telephone DAVID FRUSHER
on 01-429 1771
ACCOUNTING STAFF
APPOINTMENTS
6/8 Beckett Street,
London W1X 2BR

ASA

Appointments Wanted

PROFESSIONAL DIRECTOR
Experienced Director & CEO in
Int'l trade & high tech products
desires position as Director of
European Co-operating in US or
S. American markets by Chairman
of Electronics Co. former strategic
planner W. Stanford Research Inst.
P.O. Contact: Mr Christy, Seneca
Data Farm, 14919 Berryville Rd,
Seneca, MD 20974. Tel. 301 803
1222. Telex 857331

Appointments on Wednesday?

From September 10, the General Appointments section will appear on Wednesdays.

Accountancy Appointments will continue to appear every Thursday as usual.

The reorganisation of the Appointments Pages will enable the Financial Times to offer a substantially improved service to recruitment advertisers and their audience.

Copy deadlines for the Appointments pages are 3 p.m. on the Friday of the week preceding publication for Wednesday and remain unchanged for publication on Thursday.

For more information contact—

Louise Hunter on 01-248 8000, extension 3588

Jane Liversidge on 01-248 8000, extension 4177

or Daniel Berry on 01-248 8000, extension 3456

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

LONDON - FRANKFURT - NEW YORK

International Appointments

Finance Manager

{ to US\$70,000 pa + benefits }
Bermuda

This senior appointment is with The Bermuda Telephone Company. Our client is privately owned and has no Government or outside affiliation. It has sole responsibility for the total telephone service in Bermuda and in addition provides the link for international services.

Reporting to the General Manager, the successful applicant will be responsible for the entire financial management and DP function which will particularly include implementation

and supervision of financial and management controls, production and monitoring of financial statements, budgets and long term plans.

Applicants must be in possession of a major accounting qualification, be well experienced in the requirements of the vacancy and possess a high level of communicative skills in order to work closely and effectively with all levels of management within the company.

The importance of this appointment is reflected in an extremely competitive

remuneration package whilst other terms and conditions are those one would expect for a senior managerial appointment in Bermuda.

Applicants can apply in confidence enclosing a full CV and current salary and quoting reference MCS/7197 to Michael R. Andrews
Executive Selection Division
Price Waterhouse
Management Consultants
No 1 London Bridge
London SE1 9QL

Price Waterhouse

FINANCIAL MANAGER

Our client urgently requires a Financial Manager, with practical commercial and financial management experience, for a large industrial complex outside the United Kingdom.

Candidates, ideally aged 40-45 should have a University degree in Economics or equivalent or be a Qualified Accountant, with at least 10 years experience in an identical position, and be prepared to reside outside the U.K.

Our client is offering an extremely good employment package including free housing and transportation in addition to an attractive tax free salary.

Interested candidates should send a copy of their career details, with a contact telephone number and quoting reference L2714 which will be forwarded directly to our clients. Lansdowne International Services Limited, 37 Golden Square, London W1R 4AL.

Lansdowne
INTERNATIONAL RECRUITMENT CONSULTANTS

INTERNATIONAL APPOINTMENTS
Rate \$41 Per Single Column Centimetre

MARKETING DIRECTOR

Marketing Director sought for two-year-old Aviation Brokerage/Supply Company which specialises in commercial/general aviation brokerage and makes a two-way market in commercial/general/military aviation spares in Europe, North America and the Third World. Company is a subsidiary of a leading international investment and merchant banking group, providing diversified services including banking, trade financing, export trading and consulting.

Applicants should have 10-15 years' relevant sales and marketing experience in the aviation industry, and a proven record of dynamic performance. French and/or Portuguese language skills highly desirable. UK base. Compensation commensurate with experience, and excellent incentive bonuses paid for successful performance.

Please send detailed CV in confidence to:
EQUATOR AVIATION SERVICES
108 Charter Oak Avenue, Hartford
Connecticut 06106 USA
Attention: Laura Kavanagh

WOLSELEY FIRM FORCEFUL FAR SIGHTED

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday September 11 1986



Fluor barely breaks even in quarter after restructuring

BY WILLIAM HALL IN NEW YORK

FLUOR, the US construction and process engineering group which last year announced a sweeping restructuring...

Mr David Tappan, Fluor's chief executive, said that the company's improvements had stemmed primarily from restructuring begun 18 months ago...

BMW, the West German luxury car group, has spent more than DM 2bn (\$1bn) to develop and bring into production a replacement for its 7-series range...



BMW will not give details until the new power unit is introduced next summer but there have been suggestions the engine will produce about 300 brake horsepower.

West German luxury car maker prepares to launch its latest models

The new 7-series models look the same as the old range because BMW has continued its policy of evolution over revolution.

The new 7-series models look the same as the old range because BMW has continued its policy of evolution over revolution.

Although the latest 7-series models are completely new, broader than their predecessors, not so high and more aerodynamic, BMW has continued with its policy of evolution rather than revolution in design.

Woolworths suffers setback

BY ROBERT KENNEDY IN SYDNEY

WOOLWORTHS, Australia's second biggest retailer, reported a dramatic fall in pre-tax profit from nearly \$100 million in the half-year to August 3.

While sales increased by almost 20 per cent to \$2.5bn, the Safeway supermarket group, which was not included in last year's figures, accounted for most of the increase.

Speculation resurfaced yesterday that the group was now vulnerable to a takeover as pressure increased on Woolworths' two largest shareholders, the AMP Society and the US Safeway retail group, to reconsider their investment.

LTV suffers \$610m loss in quarter

BY ANATOLE KALATSKY IN NEW YORK

LTV, the large US steel and aerospace company which has been operating under bankruptcy protection since July 11, suffered a net loss of \$610 million in the second quarter, after a special charge of \$100 million to take account of the effects of bankruptcy on the company's steel and mining operations.

Tenneco to sell mines

BY WILLIAM HALL IN NEW YORK

TENNECO, the Houston-based conglomerate whose large energy businesses have been hit by the slump in oil and gas prices, is selling its three gold mines to Echo Bay Mines, the fast-growing Canadian gold mining company.

BP in US acquisition

BY OUR NEW YORK STAFF

BRITISH PETROLEUM (BP) yesterday announced expansion plans for its North American specialty chemicals operations which include the purchase of Dow Chemical's wire and cable polyethylene business and the construction of a new plant to produce insulation compounds.

Unity APA raises bid for Humes

BY OUR SYDNEY CORRESPONDENT

UNITY APA, the Australian investment and property company, raised its bid for Humes, the diversified building products group, by about \$100 million to about \$540 million (\$337 million) and called an extraordinary meeting at which it hoped to overthrow the board.

to make a cash offer to Humes shareholders. The new offer is one APA share, valued at \$8.50 for each Humes share, valued by the market at \$5.15.

associated with Unity APA the opportunity to let their feelings be known. The new offer by Unity APA represents about 10 times the \$53.6 million profit that Humes has forecast it will report for the financial year just ended.

BSN profits rise sharply in quarter

By David Housego in Paris

BSN, France's largest food and drinks group, yesterday reported strongly improved first half profits and forecast that net earnings for the year would be well above last year's profits growth.

Fung family discloses debts of HK\$500m

BY DAVID DODWELL IN HONG KONG

SIR KENNETH FUNG, one of Hong Kong's most prominent business figures, revealed yesterday that his family, and his family's private company were in acute financial difficulties, with outstanding debts amounting to HK\$500 million (US\$64 million).

the territory's legislative and executive councils and was until last year one of the illustrious few stewards of the Royal Hong Kong Jockey Club.

Dubois plans rights issue

By Our Financial Staff

DUBOIS Investments, the financial group which controls France's biggest do-it-yourself chain, is planning a FF1.12 billion (\$170 million) rights issue to coincide with a listing on the second market of the Paris bourse.

GENOSSENSCHAFTLICHE ZENTRALBANK AKTIENGESELLSCHAFT Vienna U.S. \$50,000,000 Floating Rate Subordinated Notes Due 1992

Teollisuuden Voima Oy (TVO Power Company) U.S. \$100,000,000 Floating Rate Notes due 2004

Lafarge Coppée 800,000 Shares of Common Stock (FF100 par value) FF1300 per Share

INTL. COMPANIES and FINANCE

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The Mitsubishi Bank, Limited, New York Branch
The Nippon Credit Bank, Ltd., New York Branch
The Union National Bank of Pittsburgh
Crédit du Nord

MANUFACTURERS HANOVER TRUST COMPANY

Delta Air takes over Western for \$860m

By William Hall in New York

DELTA AIR LINES, one of the more conservatively financed US airlines, has announced an \$860m takeover of loss-making Western Air Lines in a move which will create the third biggest US carrier.

Western, which has its hub in Salt Lake City, Utah, has been losing money for some time and has been the subject of several takeover rumors in the past. It has an extensive network of routes in the western part of the US. Delta, which is based in Atlanta, Georgia, and serves the eastern US, says that the route systems of the two carriers "fit together ideally."

Mr David Garrett, Delta's chairman, said the combined companies would be able to offer expanded and improved services to every section of the country and would have the size and resources to compete effectively "with any other airlines in the deregulated environment."

Mr Robert Joedleke, an airline analyst with Shearson Lehman Brothers, said in a research report issued a few weeks ago that Western had been on the brink of insolvency for some time as it battled to establish a niche under increased competition.

"A new management team has since made great strides to realign its fleet mix, cut unit costs and build a viable hub around Salt Lake City. Nevertheless, the company is still saddled with an unfavourable debt/equity ratio."

The takeover is the latest sign of the upheaval in the US airline industry where many of the weaker carriers, having grown quickly in the early years of US airline deregulation, are now facing serious financial problems.

Last month Frontier Airlines filed for bankruptcy and several other carriers, including People Express, Frontier's parent, are looking for merger partners to avoid insolvency.

Western, which lost \$2m on revenues of \$568m in the first half, said its board had accepted a \$12.50 a share offer from Delta and had entered into a definitive merger agreement. Under the deal, Western stockholders will receive \$6.25 a share in cash for each of their shares and Delta equity equivalent to \$6.25 a share.

Reed International buys US magazines

BY OUR NEW YORK STAFF

REED INTERNATIONAL, the British publishing, paper and packaging company, has agreed to buy 20 trade and professional magazines from Dun & Bradstreet for \$250m. The sale will expand Reed's US publishing subsidiary, Cahners Publishing, into one of the leading publishers of technical literature in the US. The titles involved cover medicine, engineering and construction among other subjects. They include The American Journal of Medicine, The Consulting Engineer, Delamination and Solid State Technology. However, Dun's Business Monthly, a leading US business magazine, is not included. The price paid by Reed puts a high premium on the goodwill inherent in the Dun & Bradstreet titles and confirms the high valuation which technical publications can command. The magazines earned \$24m, before the allocation of some overheads, on revenues of \$106m in 1985. Their book value was \$41m and net tangible assets were \$22m.

Dun & Bradstreet said the technical magazines had made an important contribution to its activities but their sale was part of a strategy of concentrating its activities in areas where it has leadership in the information industry.

The US company is a large supplier of business information and services, with worldwide revenues of \$2.8m in 1985. Among its subsidiaries are Dun & Bradstreet Credit Services, Nielsen Media Research, Moody's Investors Service and official airline guides.

Siemens and Exxon seek nuclear tie-up

SIEMENS, West Germany's second biggest company, and Exxon, the world's largest oil company, may co-operate to supply nuclear fuel elements to the nuclear industry, Reuters reports.

Kraftwerk Union, a Siemens subsidiary, said it was discussing acquiring a share in Exxon Nuclear, a US-based Exxon subsidiary. They were also talking about exchanging technology and technical co-operation.

The West German company, which also manufactures nuclear plants, said it already delivered fuel to power stations internationally but had not been active in the US.

Exxon Nuclear supplies the elements for pressurised water reactors and boiling water reactors in the US, Europe and the Far East.

Wagon Industrial Holdings p.l.c.

Salient Points from A.G.M. speech of Chairman, Mr. P. D. Taylor:

"... the strong trading position that characterised the second half of 1985/86 has continued. The order book is higher than at this stage last year and the prospects for the current year are good. Link 51 are having another excellent year and Vinco continues to show improved results. Oleo is building upon the inroads it has made into the American and European railroad and industrial markets. Overall, our smaller companies are also performing well. Subject to unforeseen factors, the Group should show a further satisfactory growth in profits in 1986/87."

Key Figures for the Year 1986	1986	1985
Turnover	£200's 83,410	£200's 75,280
Profit before Tax	8,140	4,714
Tax	2,421	2,307
Extraordinary Gain (Charges)	515	(907)
Profit attributable to Shareholders	4,234	1,500
Dividends per share	2.50p	7.25p
Earnings per share after tax	18.51p	11.96p
Ratio of net profit to Shareholders' funds	24.3%	20.8%



Copies of the Report and Accounts may be obtained from The Secretary, Wagon Industrial Holdings p.l.c., Malvern House, Halesfield, Telford, Shropshire, TF7 4PB.

All of these Securities have been sold. This announcement appears as a matter of record only.

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BAYERISCHE VEREINSBANK	CHRISTIANIA BANK
CREDIT SUISSE FIRST BOSTON	COMMERZBANK
DEUTSCHE BANK CAPITAL MARKETS	DEN DANSKE BANK
ENSKILDA SECURITIES	DRESDNER BANK
HAMBROS BANK	GENERALE BANK
PRIVATBANKEN A/S	GOLDMAN SACHS INTERNATIONAL CORP.
SPAREKASSEN SDS	KANSALLIS BANKING GROUP
	MERRILL LYNCH CAPITAL MARKETS
	SALOMON BROTHERS INTERNATIONAL
	SWISS BANK CORPORATION INTERNATIONAL

August, 1986

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HOME
THE HOME GROUP, INC.
(a corporation incorporated with limited liability in the State of Delaware, U.S.A.)

The Home Group, Inc. owns all the issued and outstanding voting stock of The Home Insurance Company which in turn owns several property and casualty insurance subsidiaries. Founded in 1853, The Home Insurance Company provides an extensive range of property and casualty insurance throughout the United States and Canada. The Home Insurance Company participates in reinsurance markets, through its subsidiary, US International Re. Inc. and also provides risk management, claims administration and loss control services. The Group also provides financing for insurance premiums on policies written by the Group and by other insurers.

The Council of The Stock Exchange in London has admitted to the Official List all of the shares of Common Stock of par value \$1 each in The Home Group, Inc. set out below.

SHARES OF COMMON STOCK OF PAR VALUE \$1 EACH	
Outstanding and fully paid	38,325,498
Held in treasury	1,359,509
Reserved in respect of employee benefit plan	1,294,365
Total	40,979,372

Particulars relating to The Home Group, Inc. are available in the statistical service of Extel Statistical Services Limited. Copies of the Listing Particulars may be obtained during normal business hours (Saturdays and public holidays excepted) up to and including 15th September 1986 from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2 and up to and including 25th September 1986 from:

Kleinwort Benson Limited
20 Fenchurch Street
London EC3P 3DB

Kleinwort Grieveson and Co.
20 Fenchurch Street
London EC3P 3DB

11th September 1986

Fox-Pitt, Kelton Limited
Eldon House
2 Eldon Street
London EC2P 2AY

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.
on 8th Sept., 1986 U.S. \$134.70
Listed on the Amsterdam Stock Exchange

Information: Pierson, Helling & Pierson N.V., Herengracht 214, 1016 BF Amsterdam.

AIBD BOND INDICES

WEEKLY EUROPEAN GUIDE SEPTEMBER 5 1986

	Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	8.777	0.206	10.830	8.738
Australian Dollar	14.317	-0.597	14.630	12.780
Canadian Dollar	10.432	-0.029	11.820	10.373
Eurodollar	5.957	-0.318	6.400	5.952
Euro Currency Unit	8.352	0.192	9.324	8.164
Yen	6.273	0.529	7.250	6.207
Sterling	10.286	0.646	11.932	9.751
Deutschemark	6.333	-0.047	7.210	6.318

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INTERNATIONAL CAPITAL MARKETS and COMPANIES

Nationwide adds to FRN surplus

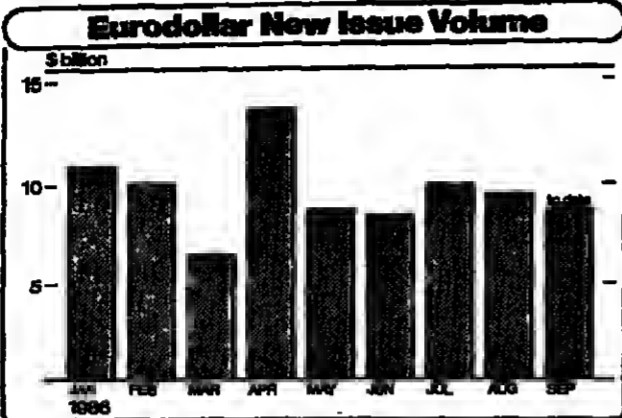
BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

NATIONWIDE yesterday became the latest in an ever growing list of British building societies tapping the floating-rate note market...

seasoned banker describing the moment as "more the opening of a trap door than a window."

supported by the lead manager of its total 1 1/2 per cent fees. The Swedish bond carried a lower effective margin of just 33 basis points over US Treasury...

issue price of par while the conversion premium is indicated at 20 to 25 per cent. There is a put option for investors after five years which will be priced to give them a yield of 8 to 8 1/2 per cent...



The bond follows the example set last week by the Halifax with an interest margin set over the one-month London interbank offered rate for sterling deposits.

ries a coupon of 7 1/2 per cent and an issue price of 100 1/4. That gave the paper an effective margin of 48 basis points over the equivalent US Treasury bond yield on launch...

whereas the OCE deal is an issue with a sovereign guarantee. Nonetheless it added to the market perception that the terms were tight and that the new issue window was still extremely fragile.

Well-received in France was the latest FF 500m issue for Sweden's Elestralax. This is a five-year deal led by Banque Nationale de Paris and carrying a coupon of 7 1/2 per cent.

Chemie Linz forecasts loss for 1986

BY ANDREW WHITLEY IN TEL AVIV

CHEMIE LINZ, the Austrian state-owned chemicals group expects to record an overall loss in 1986, after sustaining a deficit of some Sch 250m in the first six months...

Israel to cut state role in domestic capital market

BY ANDREW WHITLEY IN TEL AVIV

FAR REACHING reform of the Israeli domestic capital markets, reducing the state's present dominant role, has been approved by a Government committee.

Finance for West German building society

BY OUR EUROMARKETS STAFF

MANUFACTURERS HANOVER is arranging a DM 100m transferable loan facility for Leontberg, the West German building society, in its first international financing.

Moody's downgrades Australian debt

BY CLIVE PATRICK

MOODY'S Investors Service, the US credit rating agency, yesterday carried out its threat to downgrade Australia's long-term debt from Triple A to AAL.

Cautious welcome for tax changes in Switzerland

BY JOHN WICKS IN ZURICH AND PETER MONTAGNON IN LONDON

SWITZERLAND MOVED yesterday to boost its attractiveness as a financial centre by reducing taxation on certain money market transactions.

Large buyers of Eurobonds will probably continue to transact their business in London. Meanwhile the Swiss capital market remains hampered by the imposition of a stamp duty which does not exist in other countries, they said.

relaxation applies only to deposits with a maturity of longer than 12 months. They added that the change in Eurobond taxation, which will mean that buyers in the primary market pay only the same level of tax as those picking up secondary market paper, is also unlikely to lead to an immediate change in banking habits.

Variable life insurance to be launched in Japan

BY YOKO SHIBATA IN TOKYO

JAPAN'S big life insurance companies plan to market variable benefit schemes almost free of any restrictions.

Sterling CD programme for Taiyo Kobe

BY OUR EUROMARKETS CORRESPONDENT

THE LONDON branch of Japan's Taiyo Kobe Bank has launched a £250m certificate of deposit programme in the international capital markets.

Advertisement for Cdf Chimie S.A. featuring a large logo and text: 'This announcement appears as a matter of record only. AUGUST 1986. U.S. \$100,000,000. Cdf Chimie S.A. Transferable Multi-Currency Revolving Credit Facility. Arranged by Credit Suisse First Boston Limited. Managers: The Bank of New York, The Kyowa Bank, Ltd., The Saitama Bank, Ltd., The Sumitomo Trust & Banking Co., Ltd., Banco di Roma SpA., The Fuji Bank Ltd, Union Bank of Finland International S.A., The Taiyo Kobe Bank, Limited, Credit General S.A. de Banque. Facility Agent: Credit Suisse First Boston Limited.'

Undated issue rush foreseen in Australia

BY RICHARD HUBBARD IN CANBERRA

AUSTRALIA'S Reserve Bank's decision to relax the capital adequacy requirements of domestic banks could result in a rush of undated debt issues in the Euromarkets.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Table with columns for Bond Name, Issuer, Maturity, Coupon, and Price. Includes sections for 'OTHER STRATEGIC' and 'FLUENT RATE'.

IFC in South Korean rating agency venture

BY OUR EUROMARKETS CORRESPONDENT

THE INTERNATIONAL Finance Corporation (IFC), an affiliate of the World Bank, has joined with Fitch Investors Service of New York to help develop a rating agency for South Korea's domestic bond market.

Under the changes, subordinated perpetual debt has become acceptable as part of a bank's capital base.

Under the changes, subordinated perpetual debt has become acceptable as part of a bank's capital base. As a result, most of the major domestic trading banks have already issued about A\$1bn (US\$625m) in perpetual capital floating rate notes.

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TECHNOLOGY: Computing

BY ALAN CANE

IBM needs to roll out big guns

Important decisions must be made this month if earnings are to be revitalised

WITH MOST US industry analysts agreed that the end of the slowdown in data processing equipment sales is still many months away, IBM watchers are starting to make predictions about the methods the industry giant will use to boost its earnings after two comparatively lean years.

Mr Robert Fertig of Enterprise Information Systems, one of the best known analysts of IBM marketing strategies, is betting that new, big machines will be introduced between now and the beginning of 1987.

In a private paper he notes: "While it will be difficult, if not impossible, for IBM to show any growth in earnings for 1986, top management must make some important decisions this month if it hopes to show some positive growth in the last quarter—and, more important, to set the stage for a robust 1987. "The best way to improve

revenues and profits," he goes on "is to do something with the 'big ticket' products, the multi-million dollar systems."

By this, he means the top-of-the-line 309X mainframe computer family, the principal medium-range family, the 4381 series, and the 3380 big disk storage systems.

Mr Fertig suggests, therefore, that two or three new 309X family machines are likely in early 1987. He predicts a new model 100 with one central processing unit (cpu) at about \$750,000, a model 200 with three cpus at \$2m and a model 600 with six cpus at about \$10m.

technology 309X family and clearly differentiate the 309X series, not only on a price/performance basis but because of the special features of the 309X such as reduced instruction set (risc) architecture, greater main and extended storage and lower maintenance costs.

Mr Fertig believes that a new 4381 mainframe is also on the cards although he does not expect it to be launched for some months, to avoid diluting the effect of the new 309X series machines.

He describes the new machine as the model 15, saying it will provide almost 18m instructions a second (mips) and cost about \$1.5m.

"The 4381-15 will not affect 3090-100 or 150 sales," he argues "because it is field upgradeable, while a switch to the model 100 or 150 would require a 4381 site totally to replace its central electronics

complex." Looking ahead to the fourth quarter of 1986, Mr Fertig expects to see the first models in the family destined to succeed the Summit series, code named the Summit series (309X was code named Sierra).

He expects a 30m instructions-a-second uniprocessor capable of being built into an eight-way multiprocessor with special systems to facilitate the coexistence of 309X and Summit processors.

Fundit predictions on new machines and what IBM actually announces are sometimes two different things, although professional IBM watchers have to be comparatively accurate.

So it is interesting that in the US Montgomery Securities, a US investment bank, is predicting that IBM will launch before the end of the year a "desk top 309X."



Robert Fertig, president of Enterprise Information Systems

Muscle is put into terminal market

IBM IS aiming to muscle into the lucrative ASCII terminal market. Last week it introduced a new range of products that add significantly to its offerings in this segment of office automation. Reports Louise Kehoe, in San Francisco.

"The ASCII terminal market is very large and growing," comments Greg Blatnick of Datsquest, the US market research firm. US sales totalled 2.5m units in 1985 and will rise to 2.8m units this year, he predicts.

"This is a market that is too big for IBM to ignore," says Blatnick. Although most of IBM's own computers do not conform to the ASCII standard, the computer company has many customers who use both IBM and non-IBM processors. Blatnick expects these two-system users as well as some non-IBM users will be the tar-

DALE GENERATING SETS



Dale Electric of Great Britain Ltd, Electricity Buildings, The 31st, Victoria Road, Tel: 0723 59441 Telex 5265

gets for IBM's ASCII terminals. To challenge US market leaders Digital Equipment (DEC) and Wyse Laboratories, IBM has introduced terminals that display almost twice as many characters per screen than its previous offerings. The 3182's display screen offers 34 or 28 lines per screen with 80 or 132 characters per line, matching the performance of the most popular DEC and Wyse terminals.

IBM is also offering a range of emulation cartridges that allow the 3182 to replace DEC, Televideo, ADM, ADDS and Hazeltine and Wyse terminals. The 3182 will sell for US\$645. Emulation cartridges cost between \$50 to \$60.

Responding to IBM's announcement, Wyse Technology lowered the price of its Model 50 ASCII terminal by \$100 to \$499 on Monday.

Expert system brought in for space shuttle test firings

A DECADE'S worth of knowledge of what can go wrong with the main engines of the US Space Shuttle fleet has been "trapped" in an expert system, an artificial intelligence computer programme which has the power to make human-like judgments. The system was built by a British company and is being used to help analyse data from test firings.

The three remaining shuttles are, of course, grounded following the loss of Challenger in January this year when seven astronauts lost their lives. But the Rocketdyne division of Rockwell International which builds the main engines is continuing to carry out test firing in preparation for a resumption of the programme.

Professor Ken Modesitt, a consultant with Rocketdyne, says he is very pleased with the system built by Intelligent Terminals, a small, Glasgow-based firm run by Professor Donald Michie, one of the principal figures in UK artificial intelligence.

Professor Modesitt explains that over 10 years some 1,000

test firings have been carried out by Rocketdyne, each generating about 50m bytes (characters) of information.

In addition, the engineers completed test logs, listing and explaining exceptions and anomalies experienced during the firings.

There was therefore a vast amount of data, and informed opinion about the data, which had been used to build a knowledge base.

Professor Modesitt says the system, though not yet complete, is already providing reliable results. He believes it could be used to shorten significantly the time it takes test engineers to formulate opinions about the likely cause of unusual engine behaviour during firing.

It could also be used, he says, to accelerate the training of new engineers.

The Intelligent Terminals system, which has also been used by ICI, Shell and BP, is called ExTran 7. It is unusual among expert systems in that it is written in Fortran, a computer language used extensively by scientists and technologists

— hence its appeal in technologically-based companies. It has a "shell" program, a software tool which makes it possible to build and test expert systems quickly and easily.

BP, for example, used it to design large vessels for the offshore separation of gas and oil.

Intelligent Terminals has already successfully sold Expert Ease, an expert system shell running on microcomputers which is very easy to use.

ExTran is very much more powerful, but less "user friendly." Now Intelligent Terminals is preparing to launch "Easy Expert," a lowest (£99) piece of software which will translate Expert Ease systems into ExTran.

ExTran costs from £2,000 running on a microcomputer to £18,000 on the DEC VAX, the engineer's workhorse.

UK's Rair pips rivals in race to tap power of new superchip

THE FIRST microcomputers to utilise the superpowerful Intel 80386 microprocessor chip (see this page, August 14) are starting to appear on the market.

Pride of place seems to have gone to a UK company, Rair, a wholly-owned subsidiary of Technology for Business, which launched its Turbo 386 computer two weeks ago.

And on Tuesday this week, Compaq, the company which achieved a runaway success two years ago with the first truly IBM-compatible portable computer, announced its Deskpro 386, claiming it to be the world's most advanced personal computer.

The 80386 chip represents a new generation in processing power for desk top machines. It handles data 32 bits (binary digits, equivalent to a single 0 or 1) at a time, the same as most large commercial mainframe computers.

The Rair computer, for example, operates at a speed of between 3 and 4m instructions per second, and can

support a maximum of 4m bytes (eight bits) of high speed memory and 1m (million million) bytes of virtual memory.

The computer is intended for multi-user, multi-tasking operation and supports three multi-user operating systems, Digital Research's Concurrent DOS, Unix System V and B08, a UK-written and highly regarded piece of software.

The Compaq computer comes in two models, the model 40, with a 40m byte fixed disk drive, and the model 120 with 120m bytes of fixed disk drive storage.

Both models use the 80386 processor running at 16 MHz (a measure of processor running speed—the earliest personal computers ran at one or two MHz), and according to Compaq will run industry standard programs at up to three times faster than the existing top-of-the-line personal computer, the IBM PC/AT.

According to Mr Peter Bayley, marketing manager for Compaq's UK subsidiary: "Running under the operat-

ing system Xenix System V/386, derived from Microsoft's version of AT & T's Unix operating system, is now under development by Microsoft. At the launch of the new Compaq machines, the two companies announced joint plans to introduce the new system in the first half of 1987. Microsoft, developer of the industry standard MS/DOS operating software, also announced immediate availability of its Xenix System V/386 Software Development Toolkit.

Some 20 major software and hardware developers said their products were compatible with the new machines. They included Ansa Software, Ashton Tate, Borland International, Computer Associates, Digital Communications Associates, Lotus, Microsoft and Micropro.

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Communications magazine, May 1986.

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The Times, March 22nd, 1986.



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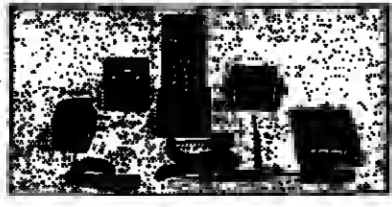
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If you don't, hear this. Plessey packet switching can give your organisation - now - faster, more efficient data communications, at lower cost than you've ever thought possible.

If you're a smaller company with branch offices then, for a small investment, Plessey can provide you with an economical network with access to Packet SwitchStream.

For the larger business - particularly with international affiliations - Plessey and packet switching will create a comprehensive, confidential network that can slash your data communications costs.

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Please send me the Plessey Business Guide to Packet Switching.

Name _____ Position _____
 Company _____ Address _____
 Telephone _____

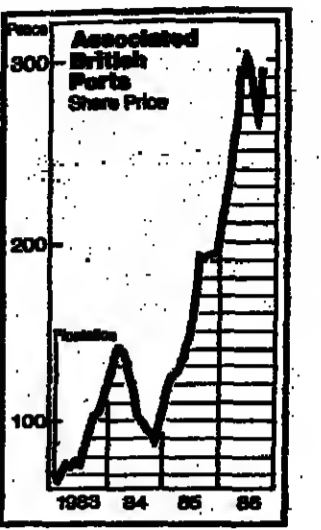
UK COMPANY NEWS

City demand and rental income boost BT profits

British Telecom, the UK telecommunications group, achieved a 12 per cent increase in pre-tax profits in its first quarter to June. It benefited from strong growth in its rental income and exceptionally strong demand from customers in the City of London.

AB Ports profits surge to £11m

Associated British Ports Holdings has followed up its strong outturn in the second half of 1985 with a similar performance for the first six months of 1986. With the contribution from both port services and property showing substantial advances, pre-tax profits for the group surged from £8m to £11m for the period.



The directors stated that current trading from the ports was strong, reflecting reduced costs and a high level of activity. They said that full-year results would be slightly better than for the year, yielding a 10 per cent increase on the previous 12 months.

Given the success of the company's existing activities and the strong balance sheet, the directors were seeking further property acquisitions including acquisitions where appropriate, for expansion and diversification in property and elsewhere.

Port services turnover was given as £73.5m, compared with £68.3m while after tax earnings were £2.7m (£2.9m), operating profits were £8.2m (£8.4m).

Sirdar breaks through the £10m barrier

Record sales and profits were yesterday reported by Mrs Jean Tyrrell, chairman of Sirdar, knitting wool manufacturer based in Wakefield, West Yorkshire.

Pre-tax profits were up 8 per cent from £9.5m to £10.3m, and turnover was 6 per cent higher at £38.7m compared with £36.5m. The final dividend raised from 2.5p to 4.5p net for an increased total of 5.15p against 4.12p.

The record sales were achieved despite a significant downturn in the final quarter due largely to the overcast and spring equities and the unsuitable weather for these types of yarns, said Mrs Tyrrell.

After tax of £3.88m (£3.5m) and dividends £2.48m (£1.98m), retained profits came out at £4.1m compared with £4.0m. The stated earnings per 25p share were 12.73p (12.57p).

Nurdin & Peacock raises profit 20% at halfway

BOTH SALES and profits increased at Nurdin and Peacock in the first half as forecast by the cash-and-carry wholesaler in its annual report.

The taxable result in the six months to July 5, 1986, was up 20 per cent from £4m to £4.8m on sales of £22.4m higher at £82.1m (£82.4m). Earnings per share were 4.1p (3.1p) after tax of £1.71m (£1.66m).

Mr W. M. Peacock, the chairman, said the sales increase had been spread throughout the different commodity groups and among old and new branches. The "Happy Shopper" range of competitively priced goods launched at the beginning of the year, had also made an important contribution and the number of lines was being extended from 28 to 35.

The board has declared an interim dividend of 2p (1.56p) per ordinary share. The new branches and the office block being built in north course, and the new Portsmouth branch was expected to open next month.

Isotron advances 31% on year

In its first year since gaining a full listing, Isotron, gamma radiation processing services, increased its pre-tax profits by 31 per cent from £1.13m to £1.48m. Turnover for the year to June 30 1986 increased 18 per cent from £2.67m to £3.14m.

The final dividend is 1p net for a total of 1.5p, and stated earnings per 25p share were 63 per cent to 8.5p. Earnings benefited from a lower tax charge and the elimination of the preference dividend.

Little change at Blockleys

Blockleys, the Telford-based brick manufacturing and building products company, achieved a slight increase in first-half pre-tax profits, despite commissioning and interest charges on its new £6m factory.

Trading profits moved ahead by 20 per cent to £1.23m (£1.02m) on turnover up 10.7 per cent to £4.32m (£3.9m). After interest charges of £199,000 relating to the new plant, pre-tax profits for the period amounted to £1.04m compared with £1.02m.

PRUDENTIAL CORPORATION Interim Results 1986

Unaudited Results

Table with 4 columns: Unaudited Results, Half year ended 30 June 1985 (estimated), Half year ended 30 June 1986 (estimated), Year 1985 actual. Rows include Profit before tax from Long-term business, General insurance business, Shareholders' other income, Total profit before tax, Tax, Minority interests, Profit attributable to shareholders, Dividends, Earnings per share, Dividend per share.

*Includes a largely non-recurring amount of £13.3m arising from conversion of terminal bonuses to reversionary form.

Estimated profit before tax for the first half of 1986 rose by £19.6m to £54.7m and the after tax profit attributable to shareholders increased to £45.0m (£30.2m in 1985). Improved results were achieved in both long-term and general insurance business.

Dividend

The directors have declared an increased interim dividend of 10.0p per share (8.6p in 1985, adjusted for the rights issue made earlier this year). The dividend will be paid on 13 November 1986 to shareholders on the Register at close of business on 16 October.

Long-Term Business

Table with 3 columns: Half year ended 30 June 1985, Half year ended 30 June 1986, Year 1985. Rows include Premium income, Shareholders' profit before tax.

Total shareholders' profit before tax from long-term business was £71m higher at £63.9m. The increase was mainly attributable to United Kingdom individual business and to Mercantile and General, but there was also an improvement from United Kingdom group pensions business.

General Insurance Business

Table with 10 columns: Half year ended 30 June, Underwriting result, Investment income, Trading profit/(loss) before tax. Rows include UK Division, Overseas Division, Mercantile and General Reinsurance, Total.

The total trading loss before tax was reduced by £10.1m to £14.6m.

In the United Kingdom, the trading loss was hardly changed at £12.1m. For home service domestic property business the trading loss fell from £5.4m to £4.6m, helped by the introduction of compulsory excesses. In line with the experience of many other insurers the private motor claims frequency continued to rise, being 10% higher than in the first half of 1985.

Overseas, premium income increased by 9% in local currencies. The trading loss fell from £4.8m to £0.3m. Of this £4.5m improvement, £4.4m arose in Canada where there was a profit of £1.9m due to increased rates and more selective underwriting.

At Mercantile and General there was little change in premium income, reflecting our determination to continue a highly selective approach to underwriting. The trading loss improved from £7.9m to £2.2m and, in a hardening reinsurance market, the results emerging from recent business are encouraging.

Notes

- 1 Results for the first half year are estimated.
2 The half year results should not be taken as a guide to the likely results for the year as a whole.
3 For the half year to 30 June 1986 overseas currencies have been translated at the rates of exchange at that date.
4 For the half year to 30 June 1985 and for the year 1985 overseas currencies have been translated at the rates at 31 December 1985.

Prudential Corporation plc, 142 Holborn Bars, London EC1N 2NH. Copies of the Interim Report are available from the Registrar's Department at the above address.

The Bear Stearns Companies Inc

(A corporation organised under the laws of the State of Delaware, USA)

US\$ 200,000,000 Floating Rate Notes Due 1994

For the three month period 10th September 1986 to 10th December 1986

the Notes will carry an Interest Rate of 6 1/2% per annum with an Interest Amount of US\$156.41 per US\$ 10,000 Note payable on 10th December 1986

Bankers Trust Company, London Agent Bank

WEEKEND FT

For information on advertising on the Books Page CONTACT SUE MATTHEW on 01-497 6033

LADBROKE INDEX

1,326-1,333 (-6) Based on FT Index Tel: 01-487 4411

NURDIN & PEACOCK PLC

THE Cash and Carry WHOLESALEERS

Interim Report for 6 months to 5th July 1986 Sales and profits advance

Table with 3 columns: Half year ended 5th July 1986, Half year ended 5th July 1985, 53 weeks ended 4th January 1986. Rows include Turnover, Profit before taxation, Taxation, Profit after taxation, Earnings per ordinary share.

Interim dividend 2.0p per share (1985 - 1.65p per share) payable on 31st October 1986 to members registered at Close of business on 28th September 1986.

The figures for the two half years are unaudited. The figures for the 53 weeks ended 4th January 1986 are taken from accounts filed with the Registrar of Companies. The auditors report on these accounts was unqualified.

Chairman's Statement

It is with considerable pleasure that I am able to announce this increase in sales and profits and also to be able to report that sales continue to be buoyant, being some 17% up on last year since the end of June.

The sales increase has been well spread, both through the different commodity groups and among the branches old and new. There have been some excellent innovations during the six months and none more so for both our customers and ourselves than our price marked "Happy Shopper" range which we launched at the beginning of the year.

In addition I am delighted that Mr. Ian Butler has accepted our invitation to join the Board of Nurdin & Peacock PLC, as a non-executive Director. Mr. Butler is Chairman of Cookson Group PLC and his wide experience will be very helpful.

Head Office: Bushey Road, Raynes Park, SW20 0JJ. Tel: 01-948 9111

NOTICE OF REDEMPTION GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED

RE: 9 3/4% Debentures Due October 15, 1986

Pursuant to the terms of Section 13.01 of an Indenture dated as of October 13, 1976 between General Motors Acceptance Corporation of Canada, Limited and Canada Permanent Trust Company (now The Canada Trust Company) which provides that at any time on and after October 15, 1981 the Debentures may be redeemed at the option of the Company, notice is hereby given that General Motors Corporation of Canada, Limited intends to redeem and hereby calls for redemption on October 15, 1986 all of its 9 3/4% Debentures due October 15, 1986 (the "Debentures") at a price of 100% of the principal amount together with interest on such principal amount accrued and unpaid to the said date of redemption. There is CAN. \$16,283,000 principal amount of Debentures outstanding as of the date hereof.

Interest payable on October 15, 1986 on the Debentures will be paid in the usual manner.

Payment of the redemption price will be made upon presentation and surrender of the Debentures and all unmatured coupons pertaining thereto at any of the following paying agencies:

- MIDLAND BANK LIMITED, BANCA NAZIONALE DE LAVORO, DEUTSCHE BANK AKTIONSEIGENSCHAFT, BANCA NAZIONALE DE LAVORO, CREDIT LYONNAIS, ALGERIENS BANK, BARQUE BRIBILLIES LAMBERT S.A., SWISS CREDIT BANK, BANQUE GENERALE DU LUXEMBOURG S.A., SWISS BANK CORPORATION.

The amount of any missing unmatured coupon (CAN. \$97.50) will be deducted from the redemption price. Any amount so deducted will be paid against surrender of the said coupons within a period of six years from October 15, 1986. Interest will cease to accrue on the Debentures from and after October 15, 1986.

Dated at City of Toronto this 10th day of September, 1986. GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED.

UK COMPANY NEWS

Acquisitions help DRG lift profits 30% to £20.6m

DRG, the stationary and packaging group, turned in pre-tax profits of £20.6m in the six months to June 28, a rise of 30 per cent. Turnover increased by £13.1m to £325.5m. Since last September's £25.5m rights issue, DRG has spent almost £20m to acquire seven companies in its existing areas of business and the directors said the first-half performances of these acquisitions had met with expectations.

Exceptional expenses of £300,000 consisted of redundancy payments and were maintained at last year's level.

However, last year's extraordinary credit of £3.2m became a debit of £1.2m as a result of costs incurred through closures and reorganisation. DRG, which has Sellotape and Basildon Bond among its brand names, saw its overseas interests report operating profit up to £8.7m (£8.1m) while its home

concerns' operating profits increased to £16.1m (£15.7m). The directors said they planned to expand capacity in several of the company's packaging and stationary areas and remained confident that the progress shown in the first six months will be maintained in the second half as consumer demand in the important growth markets remains strong.

Earnings rose from a restated figure of 13.6p to 14.6p. DRG will pay an interim dividend of 3.55p—10 per cent up on last year's. Total dividend for 1986 was 8.25p.

comment

Just under two-thirds of DRG's £4.9m increase in pre-tax profits arose from lower interest payments, a pensions holiday and contributions from businesses now sold. Organic growth is 10 per cent at home and overseas—the latter would

be higher if the currency factor had not turned negative. However, the commodity packaging side with margins of around 2 per cent is holding the average down and this is clearly where management time is going to be most needed in the near future. Perhaps like the recently sold off Barratt, an acquisition which the management now freely admits it made a right smorgasbord of this area will also be given its freedom. DRG's future is in plastics, whether tin can replacements or otherwise, and not in the volume end of the market where rising pulp prices cannot readily be passed on to customers. For the year £40m pre-tax profits the shares at 90p, up 10p, on a prospective P/E of 11. This seems on the modest side if one believes that the management will do the right thing on the one remaining problem area of any significance.

Sales switch hits Costain half-year profits

PRE-TAX profits at Costain, the construction and development company, were down from a restated £26.5m to £21.2m in the six months to June 30 1986 as a result of an adjustment in the timing of property sales.

In the equivalent period last year, property sales accounted for £7.5m profit; this time the figure is down to £2.2m. However, the directors said they expected sales would be substantially greater in the second half.

Turnover was down £74m to £275m. General trading profits were up from £11m to £23m. The interim dividend rose from 8.5p to 7p.

Profits from mining operations matched those of last year, as did the contribution from engineering and construction sectors—despite their reduced overseas turnover.

The directors said housing sales in the UK were strong and sales to the end of August had been up 25 per cent on the same period last year. Activities in Australia were hit by the strengthening of sterling between the first half of 1985 and the first period this year. This resulted in a reduction of £5m in turnover and £2m in profits.

comment

NOW THAT investors are used to the idea of Costain's diversification strategy, they must learn that it will cause some ups and downs. While work in the Middle East is still winding down

—one of the reasons for Costain spreading wider—UK housebuilding is clearly going well. Sales this year should top 2,000 against 1,726 in 1985, with selling prices up from an average £24,000 to £48,000. Costain plans to open in California, which will produce costs not profits for a couple of years. Coal mining is much harder work, and the first time contribution from Dolet Hills, merely made up for profit falls elsewhere. As for the original construction business, Costain's decision to become more involved in the

initiation of projects emphasises how hard it is to get work. The bunching of property sales in the second half, may still leave profits there slightly lower on the year. But the £24.5m rights issue made in June will cut down the interest charge. Profits for the year should reach £88m or so, compared to £68m, and with the share price down 10p to 62p yesterday the prospective multiple is around 18. That and the dividend increase limit the downside.

Lloyd's boost for London Utd.

LONDON United Investments yesterday became the latest in a long line of insurance companies to announce healthy results with a 70 per cent increase in interim pre-tax profits to £4.1m.

In the six months to June 30, London United increased turnover to £37.4m (£19.27m) and operating profit to £5.3m (£2.5m).

Its share of profits from associated companies almost quadrupled to £2m (£544,000). Group overheads doubled to £1.2m (£810,000). Earnings per share rose to 15.5p (12.32p) and the board proposes

to pay an interim dividend of 6.5p (5p).

"As usual most of the growth in profits came from H. S. Weaver, our Lloyd's agent, but we were pleased to see improved performance from all the companies in the group," said Mr John Mitchell, the company secretary.

In the period under review London United received its first contribution from NUA, the Chicago-based subsidiary funded by its 1985 rights issue. However, the group also suffered from the weakness of the dollar

when translating US earnings into sterling.

London United had a rights issue in July and the £23.4m raised has been invested in subscribing for further shares in Walbrook in order to take advantage of rising rates for US property and casualty insurance.

London United is keen to expand further. According to Mr Mitchell it envisages adding to its interests in every sphere of activity: broking, underwriting, insurance and reinsurance.

"We are happy with the progress of business so far in the second half," he said. Profits were expected to increase in line with those in the first half.

As a relatively small insurance company London United has tended to be rather overlooked by the City. Nonetheless, the share price has risen steadily since the year-end, when the company unveiled a 50 per cent increase in profits. The price rose again yesterday, up 6p to 42p on the announcement.

Newey profits drop

EXCHANGE rate movements caused a slump in pre-tax profits for Newey Group, the hard haberdashery company, from £637,000 to £539,000 in the 25 weeks to June 27.

Fluctuations in the DM accounted for a drop in operating margins and profitability of more than £200,000.

Turnover increased from £8.81m to £9.99m. Newey was unable to include a £600,000 profit from the sale of property at Hall Green, Birmingham at this stage because tax liability has yet to be quantified.

BANQUE PARIBAS



U.S. \$200,000,000

Undated Floating Rate Securities

In accordance with the provisions of the Securities, notice is hereby given that for the three months interest period from 11th September, 1986 to 11th December, 1986 the undated Securities will carry an interest rate of 6 3/4% per annum. Interest due on 11th December, 1986 will amount to U.S. \$16.11 per U.S. \$1,000 undated Security.

Morgan Guaranty Trust Company of New York
London Agent Bank

Costain Group
INTERIM REPORT 1986

Group Results	Six months to	Six months to	Year
	30 June 1986	30 June 1985	1985
	£m	£m	£m
Turnover	375.0	449.0	940.0
Trading profit			
General trading	23.0	20.9	55.4
Net rental income	2.9	2.9	5.4
Property	2.2	10.1	13.4
Profit before interest	28.1	33.9	74.2
Interest payable	6.9	7.3	13.6
Profit on ordinary activities before taxation	21.2	26.6†	60.6
Taxation at estimated 27% (1985—27%, year 24%)	5.7	7.2	14.8
Profit on ordinary activities after taxation	15.5	19.4	45.8
Minority interests	1.7	3.8	7.5
Profit before extraordinary items	13.8	15.6	38.3
Extraordinary items	0.7	0.1	0.3
Profit attributable to Costain Group PLC	14.5	15.7	38.0
Interim dividend of 7.0p per share (1985—6.3p)	5.8	4.5	—
Total dividends (1985—16.5p per share)	—	—	11.8
Amount retained	8.7	11.2	26.2
Earnings per share	19.2p	21.9p	53.6p

Overseas currencies have been expressed in sterling at average rates of exchange.
*The 1985 figures have been restated at average rates of exchange and to include the proceeds of investment property sales in turnover.
†Originally published as £24.8m.
Earnings per share and dividends have been adjusted for the recent rights issue.
The figures for the year 1985 have been abridged from the full Group accounts for that year on which an unqualified report was made by the Group's joint auditors and which have been delivered to the Registrar of Companies.

Mr Terrel Wyatt, Chairman, reports:

General Trading Profit up by 10%. Profit before tax lower due to uneven timing of property disposals. Property sales should increase in second half. Currency changes reduced profit by £2m.

First contribution from Dolet Hills Mining Venture in the USA exceeded expectation.

Housing sales in UK to end August up by 25%.

Property development buoyant with participation in proposed Spitalfields Development and in Riverside Quay project in Australia.

Interim dividend increased to 7p on capital increased by 1 for 5 rights issue.



ENGINEERING & CONSTRUCTION, MINING, HOUSING AND PROPERTY WORLDWIDE
Costain Group PLC, 111 Westminster Bridge Road, London SE1 7UE. Telephone: 01-928 4977

This advertisement is published by H.M. Hutchings & Co. Limited on behalf of Turner & Newall PLC. The Directors of Turner & Newall PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Turner & Newall PLC accept responsibility accordingly.

T&N Turner & Newall PLC

OFFER FOR

AE PLC

VALUE OF T&N OFFER:
(part share, part cash)

270p

AE SHARE PRICE:

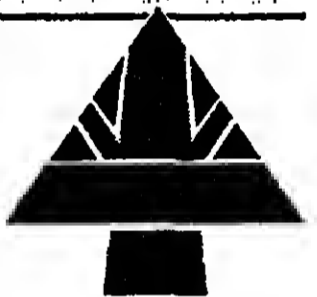
243p

AE SHARE PRICE BEFORE OFFER:
182p

FINAL CLOSING DATE OF OFFER:
Friday, 12th September, 1986

Value of offer is based on share price of Turner & Newall at 3.30pm on 10th September, 1986. AE share price and AE share price before offer are prices at 3.30pm on 10th September, 1986 and on 19th June, 1986 respectively. Turner & Newall reserves the right to extend the offer to a later date or dates if a competitive situation arises. If the offer has been declared unconditional as to acceptances on or by 12th September, 1986, the part share, part cash offer will remain open for not less than fourteen days thereafter.

BRITISH AEROSPACE
Public Limited Company



In announcing a 10% increase in the interim dividend of 6.4p per ordinary share, Sir Austin Pearce, Chairman, said:

"We have a record order book (£8,287m) ... exciting new products ... and a strong financial base"

"...we have taken further steps to rationalise the Company, to strengthen management, and to improve efficiency and our profitability in what continues to be a strongly competitive business."

Extract from interim results (unaudited) for 6 months to 30th June 1986

	1st half 1986 (£m)	1st half 1985 (£m)	Full year 1985 (£m)
Turnover	1,443	1,308	2,648
Trading Profit	96	97*	211*
Profit before Taxation	80	68	150
Profit after Taxation	57**	62	127
Earnings per Share	22.6p	29.7p	56.4p

*Adjusted for comparative purposes.
**Before extraordinary charge of £44m relating to the announced closure of manufacturing at the Weybridge site.

Copies of the full statement will be sent to all shareholders. Further copies are available from: The Secretary, British Aerospace Public Limited Company, 11 Strand, London WC2N 5JT.

British Aerospace Public Limited Company, 11 Strand, London.

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LONDON RECENT ISSUES

Table of recent issues in the equities market, listing stock names, prices, and changes.

FIXED INTEREST STOCKS

Table of fixed interest stocks, including government bonds and corporate debentures.

"RIGHTS" OFFERS

Table of rights offers, detailing the terms and conditions of various share rights.

Notes and details regarding the rights offers, including company names and offer specifics.

UNIT TRUST, INSURANCE OFFSHORE, MONEY MARKET LISTINGS

Text providing contact information and details for unit trusts, insurance, and money market listings.

Advertisement for 'THE FINANCIAL TIMES' market research survey, including details on the survey's scope and contact information.

FT CROSSWORD PUZZLE No. 6122

A crossword puzzle grid with numbered squares and a title 'DINNUTZ'.

- ACROSS and DOWN clues for the crossword puzzle, including 'From which operas are turned out by the bar?' and 'South American custom-built burger?'.

Solution to Puzzle No. 6121, showing the filled-in crossword grid.

AUTHORISED UNIT TRUSTS

Large table listing various authorized unit trusts, including names, managers, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Table providing detailed information for the FT Unit Trust Information Service, including contact details and service offerings.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, companies, and their details. Includes columns for company names, addresses, and financial metrics.

INSURANCES

Sub-table listing insurance companies and their details, including names, addresses, and contact information.

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INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas fund products with columns for company name, fund name, and numerical values.

Table listing insurance and overseas fund products, including entries like 'Fidelity International' and 'Hazardous Waste'.

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MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

TRADITIONAL OPTIONS

3-month call rates

Table listing traditional options and 3-month call rates with columns for instrument name and numerical values.

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COMMODITIES AND AGRICULTURE

Natural rubber price climbs to 2-year high

BY WONG SULONG IN KUALA LUMPUR

PRICES of natural rubber have been moving upwards on tight supply and strong demand in recent weeks to reach a current two-year high. The five-day moving average calculated by the International Natural Rubber Organisation (INRO) is now at 192.2 Malaysian/Singapore cents.

Commission backing for 'green' punt devaluation

By Quentin Peet in Strasbourg

THE European Commission yesterday gave its blessing to a devaluation of Ireland's green punt—the exchange rate for farm support prices—of 8 per cent for dairy and animal products, and 3 per cent for cereals and vegetables.

The Commission's proposals fall short of the 8.7 per cent devaluation request made by the Irish Government, the full amount allowable following the 3 per cent devaluation of the Irish punt last month.

A change in the green punt will give Irish dairy and beef producers a price advantage in the British market. British farmers have not received any benefit from the depreciation of sterling, with the green rate now some 10 per cent above the official exchange rate.

No British request has been made for a change in the green pound, which would increase consumer demand for such products as beef, lamb and piglets.

The Commission is determined that farmers in the EEC should not be given price increases through the daily output already in massive surplus.

The Commission's proposals fall short of the 8.7 per cent devaluation request made by the Irish Government, the full amount allowable following the 3 per cent devaluation of the Irish punt last month.

LME studies dollar contract for aluminium

THE LONDON Metal Exchange (LME) is considering introducing its first ever dollar denominated contract for aluminium.

The exchange said yesterday that it is actively investigating the feasibility of a 90.7 per cent pure aluminium contract denominated in dollars with additional delivery points outside Europe. Currently LME registered warehouses are only in Europe.

Following an exchange committee meeting yesterday, a sub-committee has been set up to monitor reactions to the proposed contract.

Physical trading in aluminium is principally carried out in London, which is the main market for the metal.

Some analysts said that if the dollar aluminium contract were successful then a logical extension would be to have dollar contracts in other metals as well.

Dealers said Japanese traders were keen to trade aluminium in dollars.

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Canada diverts grain from strike-bound port

BY BERNARD SMON IN TORONTO

CONCERN THAT a labour dispute at the Great Lakes port of Thunder Bay could jeopardise Canada's foreign grain markets has prompted emergency measures by the Canadian Wheat Board to divert grain shipments to other ports.

The move, by an unspecified firm, was reported yesterday by London traders. It confirmed that it would further reduce the number of banks holding tin as collateral against loans.

The metal tonnage at the port is expected to be about 40 per cent of Canada's wheat exports.

Mr Charles Mayer, the Wheat Board Minister, said that "there really is no problem with the Board meeting its commitments."

Canada is expecting a record grain harvest this autumn, with the wheat crop estimated at 31.2m tonnes, compared to 24.3m tonnes last year.

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LME studies dollar contract for aluminium

THE LONDON Metal Exchange (LME) is considering introducing its first ever dollar denominated contract for aluminium.

The exchange said yesterday that it is actively investigating the feasibility of a 90.7 per cent pure aluminium contract denominated in dollars with additional delivery points outside Europe.

Following an exchange committee meeting yesterday, a sub-committee has been set up to monitor reactions to the proposed contract.

Physical trading in aluminium is principally carried out in London, which is the main market for the metal.

Some analysts said that if the dollar aluminium contract were successful then a logical extension would be to have dollar contracts in other metals as well.

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INDICES

REUTERS Sept 10 1986 9:30 AM (GMT) 1461.47/1461.51 1460.0/1460.1 (Base: September 10 1981=100)

DOW JONES Dow Jones Industrial Average Sept 10 1986 211.17 (Base: December 31 1951=100)

MAIN PRICE CHANGES In tonnes unless otherwise stated. Sept 10 +/- or Month 1986 +/- or Ago

METALS Aluminium 192.20 +0.10, Copper 151.50 +0.10, Lead 187.15 +0.10, Zinc 140.80 +0.10, Tin 140.80 +0.10

OTHERS Cocoa 140.80 +0.10, Coffee 140.80 +0.10, Sugar 140.80 +0.10, Soybean 140.80 +0.10

COFFEE C 140.80 +0.10, COFFEE R 140.80 +0.10, COFFEE S 140.80 +0.10

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar waits for guidance

LACK of economic news kept the dollar quiet yesterday. The market seemed unsure whether the dollar was likely to rally, with a level of 2.10 mentioned as a possibility...

£ IN NEW YORK

Table with columns: Spot, 1 month, 3 months, 6 months, 12 months, Forward premium and discounts apply to the US dollar.

On Bank of England figures the dollar's index rose to 111.0 from 110.9. Sterling's index against the dollar in 1986 is 152.52 to 157.98...

FINANCIAL FUTURES

Prices rebound

GILT PRICES recovered some of the ground lost earlier this week in the London International Financial Futures Exchange yesterday. Values opened firmer on the 10-year gilt...

Table with columns: Stock, Price, Change, Last, Bid, Offer, etc. for various futures contracts.

The December long gilt contract opened at 117.18 up from 117.09 on Tuesday and fell to a low of 116.25. However renewed interest developed at this level...

Three-month Euro-dollars finished slightly weaker overall after a stronger opening. Comments made by Japanese officials stressing that no cut in their discount rate was contemplated...

Table with columns: Price, Change, Last, Bid, Offer, etc. for US Treasury Bond Futures Options.

Three-month sterling deposits were less buoyant with persistent selling developing in the afternoon to take the December price down from an opening level of 90.59...

POUND SPOT—FORWARD AGAINST POUND

Table showing spot and forward rates for the pound against the dollar, including one-month, three-month, and six-month rates.

CURRENCY MOVEMENTS

Table showing percentage changes in various currencies against the dollar, such as the West German mark, Japanese yen, and Swiss franc.

CHICAGO

Table showing market data for Chicago, including US Treasury Bills, Eurodollar futures, and other financial instruments.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing spot and forward rates for various currencies against the dollar, including the UK pound, West German mark, and Japanese yen.

CURRENCY RATES

Table showing current exchange rates for various currencies, including the West German mark, Japanese yen, and Swiss franc.

STERLING INDEX

Table showing the Sterling Index and other market indicators, including the 10-year gilt and 3-month sterling deposits.

EXCHANGE CROSS RATES

Table showing cross-rates between various currencies, such as the West German mark, Japanese yen, and Swiss franc.

OTHER CURRENCIES

Table showing exchange rates for other major currencies, including the West German mark, Japanese yen, and Swiss franc.

STERLING INDEX

Table showing the Sterling Index and other market indicators, including the 10-year gilt and 3-month sterling deposits.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits, including 3-month, 6-month, and 12-month rates.

EMU EUROPEAN CURRENCY UNIT RATES

Table showing the conversion rates of various European currencies into the ECU (European Currency Unit).

FT LONDON INTERBANK FIXING

Table showing the FT London Interbank Fixing rates for various currencies, including the West German mark, Japanese yen, and Swiss franc.

NEW YORK RATES

Table showing interest rates in New York, including prime rates, Fed funds, and Treasury bills.

MARKET REPORT

UK clearing bank base rate little changed. The Bank of England held its base rate at 10 per cent yesterday.

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INTEREST RATES

Table showing various interest rates, including the Bank of England base rate, Treasury bill yields, and other market rates.

MARKET REPORT

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Table showing market data for various currencies, including the West German mark, Japanese yen, and Swiss franc.

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FOREXTREND advertisement featuring a line graph and text about currency forecasting services.

GOLD WHAT NEXT? advertisement for GNI (Gold and National Investment) offering a free report on gold and commodity prices.

Understand Commodities! advertisement for CEI Commodities, offering a five-day intensive course on commodity trading.

The American Metal Market Forum advertisement for a metal trading transition seminar on October 6, 1986.

Holidays and Travel advertisement for CEI Commodities, offering travel packages and services.

Company Notice advertisement for CEI Commodities, providing information about company policies and services.

Kingdom of Sweden advertisement for 5% per cent. Bonds Due 1995, featuring a crown logo and a list of international banks.

LONDON SHARE SERVICE

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, and Yield. Includes sub-sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS—Cont.

Table of American stocks with columns for Stock, Price, and Yield. Includes sub-sections for 'BUILDING, TIMBER, ROADS—Cont.', 'DRAPERY & STORES—Cont.', and 'ELECTRICALS'.

INDUSTRIALS—Continued

Table of Industrial stocks with columns for Stock, Price, and Yield. Includes sub-sections for 'ENGINEERING—Continued' and 'INDUSTRIALS (Misc.)'.

Over Fifteen Years

Table listing various funds under the 'Over Fifteen Years' category.

INT. BANK AND GOVERNMENT STERLING ISSUES

Table listing international bank and government sterling issues.

CORPORATION LOANS

Table listing various corporation loans.

CORPORATE BOND & AFRICAN LOANS

Table listing corporate bonds and African loans.

LOANS

Table listing various types of loans.

Public Bond and Int.

Table listing public bonds and international issues.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail issues.

AMERICANS

Table listing American stocks with columns for Stock, Price, and Yield.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and Yield.

BANKS, NP & LEASING

Table listing banks, non-parallel, and leasing companies.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies.

RETAILERS

Table listing various retail companies.

RENTALS

Table listing various rental companies.

TRADING COMPANIES

Table listing various trading companies.

UTILITIES

Table listing various utility companies.

FINANCIAL

Table listing various financial companies.

INSURANCE

Table listing various insurance companies.

OTHER

Table listing various other companies.

FOOD, GROCERIES ETC.

Table listing food, grocery, and other related companies.

HOTELS AND CATERERS

Table listing hotels and catering companies.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies.

ENGINEERING

Table listing various engineering companies.

DRAPERY AND STORES

Table listing drapery and store companies.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies.

PHARMACEUTICALS

Table listing pharmaceutical companies.

TELECOMMUNICATIONS

Table listing telecommunication companies.

TRANSPORT

Table listing various transport companies.

OTHER

Table listing various other companies.

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APR 1968

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, ICI, and various manufacturing firms with their respective share prices and market data.

LEISURE - Continued

Table of leisure and entertainment stocks including British Airways, British Telecom, and other service-oriented companies.

PROPERTY - Continued

Table of real estate and property-related stocks, including various land and building companies.

INVESTMENT TRUSTS - Cont.

Table of investment trusts offering diversified portfolios of stocks and bonds.

FINANCE, LAND - Cont.

Table of financial and land-related stocks, including banks, insurance companies, and landowners.

MINES - Continued

Table of mining stocks from various countries, including gold, copper, and diamond producers.

MOTORS, AIRCRAFT TRAVEL

Table of motor vehicles and aircraft-related stocks, including manufacturers and airlines.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks, including major media companies.

SHOES AND LEATHER

Table of footwear and leather goods stocks, including manufacturers and retailers.

SOUTH AFRICANS

Table of South African stocks, including local industrial and financial companies.

OVERSEAS TRADERS

Table of overseas trading companies, including importers and exporters.

PLANTATIONS

Table of plantation stocks, including rubber, sugar, and other agricultural producers.

INSURANCES

Table of insurance stocks, including life, fire, and marine insurers.

PROPERTY

Table of property stocks, including real estate and land companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks, including investment and financial services.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks, including banks and financial institutions.

MINES

Table of mining stocks, including various mineral producers.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks, including companies from different geographical areas.

LONDON STOCK EXCHANGE

Equities slip back after good start but Gilts stage a recovery

Account Dealing Dates... First Declared Last Account Dealings...

unusually high number of trading stands from leading groups... many including the prefix British...

Other blue chips shrugged off Wall Street's renewed eagerness and achieved fresh gains during the first hours of business...

Prudential retreat... Prudential plummeted 30 to 37p in reaction to the interim profits which failed to match recent optimistic expectations...

FT-ACTUARIES SHARE INDICES

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Wednesday September 10 1986, Index, Day's Change, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, Week, Day's Change, etc.

late to close at their lowest levels of the day... Royals relinquished 12 at 85p and Sun Alliance lost 12 at 85p...

Quality toiletries supplier Creighton Laboratories attracted fresh support in the drinks sector...

Enthusiasm increased further when sterling picked up against the dollar and prices subsequently regained their losses to move slightly better on balance...

Combined English up... Combined English provided a firm feature in Stores, rising 7 to 25p as investors showed an

FINANCIAL TIMES STOCK INDICES

Table with columns: Government Secs, Fixed Interest, Gold Mines, etc.

BASE LENDING RATES

Table with columns: Bank Name, Rate, etc.

increased interest ahead of the interim results scheduled for September 23... Ellis and Goldstein put on a few pence at 59p...

Grand Metropolitan added 4 at 41p, reflecting recent takeover activity... Ladbroke also added 4 to 38p...

Reading International, reflecting news that the company had advanced 8 to 27p... Other leading miscellaneous industrialists...

NEW HIGHS AND LOWS FOR 1986

Table with columns: NEW HIGHS (53), NEW LOWS (77), etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Option, Vol, Last, etc.

interest lifted Belgrave Holdings 8 to 130p... Rate soared to 47p before closing 32 higher on balance at 45p...

Oil retreat... The oil sector came under pressure for the third consecutive session as spot oil prices weakened fresh on news that Saudi Arabia's oil output had topped 5m barrels a day...

Platinum... Platinum prices advanced 10p to 1250, reflecting a sharp rise in the price of the metal...

TRADITIONAL OPTIONS

Table with columns: First, Last, Last For, etc.

RISES AND FALLS YESTERDAY

Table with columns: Rise, Fall, Same

primary put on 10 to 320p... reaction to the company's announcement of a new share issue...

Telecom... Telecom shares advanced 10p to 1250, reflecting a sharp rise in the price of the metal...

Gold... Gold prices advanced 10p to 1250, reflecting a sharp rise in the price of the metal...

LONDON TRADED OPTIONS

Table with columns: CALLS, PUTS, etc.

BASE LENDING RATES

Table with columns: Bank Name, Rate, etc.

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WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, Japan, Belgium/Luxembourg, Denmark, Italy, Netherlands, France, and Switzerland. Columns include stock names, prices, and percentage changes.

Indices

Table of stock indices for New York, London, and other major markets. Includes NYSE Composite, FTSE 100, and various regional indices.

Table of stock indices for Australia, Austria, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, South Africa, Sweden, Switzerland, and the World.

Table of NYSE-Consolidated 1986 Active Shares, showing volume and price changes for various sectors.

Table of Chief price changes in London, categorized by rises and falls in various sectors like chemicals, food, and metals.

Table of Montreal closing prices for September 10, listing various stocks and their prices.

Table of over-the-counter market closing prices for various stocks, including companies like Amstar, Alcoa, and others.

Advertisement for Executive Cars with Chauffeurs in Paris, featuring a phone number and contact information.

Advertisement for Athens Financial Times, highlighting a special subscription hand delivery service.

Advertisement for Special Subscription Hand Delivery Service of the Financial Times in Germany and Austria.

Advertisement for Special Subscription Hand Delivery Service of the Financial Times in Oslo and Stavanger.

Advertisement for Hand Delivery Service of the Financial Times in the Netherlands, listing various cities.

Advertisement for Special Subscription Hand Delivery Service of the Financial Times in Oslo and Stavanger, including a map of the region.

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of stock prices with columns for stock symbols, prices, and changes. Includes sections for 'D', 'E', 'H', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

Continued on Page 41

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NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections for 'Continued from Page 40' and 'Over-the-Counter'.

Table of AMEX Composite Closing Prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections for 'Continued from Page 40' and 'Over-the-Counter'.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) Closing Prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections for 'Continued from Page 40' and 'Over-the-Counter'.

Hand Delivery Service advertisement for the Financial Times. Text: 'Your subscription copy of the FINANCIAL TIMES can be hand-delivered to your office in the centre of any of the cities listed below. For details contact: Peter Lancaster, Tel: 022 3116034. Telex: 22589.' Includes 'BASEL/GENEVA/LAUSANNE/LUGANO/ZURICH SWITZERLAND'.

